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# ***CENTRAL EURASIA***



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# FBIS Report: Central Eurasia

FBIS-USR-94-091

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## POLITICAL AFFAIRS

### Yavlinskiy Assesses Duma's Performance

944F1142A Moscow OSHCHAYA GAZETA  
in Russian No 33/55, 29 Jul-4 Aug 94 p 1

[Article by Gregoriy Yavlinskiy: "The Child Has Survived and Is Growing Up: Yabloko Faction's Leader on First Session of State Duma"]

[Text] The new parliament, the State Duma, has held out for a half year in Russia. Of course, the Duma has had very many problems. Of course, it does not have many of the functions that are essential for a body of authority. Of course, its capabilities were extremely limited. Nonetheless, the Duma demonstrated that it is capable of functioning. That is an accomplishment. Moreover, the Duma is capable of functioning and making decisions by a two-thirds majority even in the absence of Zhirinovskiy's Liberal Democratic Party faction.

It has had other accomplishments too. The parliament demonstrated that it can adopt genuinely progressive documents. For example, the Civil Code, which both the Communists and the Agrarians opposed, but this fundamental reform document was nonetheless confirmed. The Duma also nearly adopted a positive decision on the second stage of the privatization program—it fell just barely short of the required majority.

All this, taken together, is encouraging. It means that there are enough positive- and progressive-minded people in the Duma, and they can legislatively support society's progressive movement along the reform path.

But there is also, as party documents used to say, an "at the same time."

Our Duma is six months old and, like every child of such a tender age, it sometimes soils its diapers, and we encounter the consequences of that. In particular, the parliament simply cannot set itself up in a permanent residence and remains a "hobo," as it were. That greatly hinders its work.

In addition, the lower chamber of the Federal Assembly has still not been able to define the main priorities in its work. I believe that our Duma is a transitional and, in many respects, a founding body. Its chief task should be to prepare an "Election Code," a whole package of laws on the elections of the president, parliament, etc. The Duma has not advanced one step along this path. And that is too bad. Without such a set of laws, the 1996 elections simply will not be able to happen—and the Duma will not fulfill its chief purpose.

There is another problem, too. Sometimes our parliament resembles a mine from which laws are issued in whole carloads all at once. The deputies discuss, work to adopt, and vote on a couple of dozen laws a week, and sometimes in just three days. That is unwise. Quality is sacrificed to quantity.

But, despite all these shortcomings, a parliament in Russia has emerged and, despite that, has not even been disbanded. And that inspires a certain amount of optimism.

### Results of Duma's First Session Analyzed

944F1142B Moscow OSHCHAYA GAZETA  
in Russian No 33/55, 29 Jul-4 Aug 94 p 7

[Article by Nikolay Trotskiy: "The Latest Parliament: Who? What? Why? (What the State Duma's First Session Showed)"]

[Text] The State Duma deputies have parted for a two-month vacation. In the parliamentarians' absence, the experts and political scientists, like inveterate gossips, have been picking them apart, issuing reports, and giving grades. This is a subjective matter, depends on one's political sympathies and antipathies, is not subject to dry calculations, and entails too much emotion.

But there is one means that can be used to create a perfectly objective picture. To do so, one must simply leave the unstable ground of emotion and assessments and turn to strict statistics. Then everything will fall into place.

### Market-Era Parliament

To start with, a few figures that provide grounds for judging the object of investigation.

The Duma consists of 449 deputies. Under the Constitution, there are supposed to be 450, but the residents of the Chechen Single-Seat Territorial Election District have stubbornly refused to take part in elections.

According to gender, the Duma is divided into 60 women and 389 men. The Duma is not young: Only three persons are under 25 years old and 10 under 30; 101 are from 30 to 40 years old, 295 are from 40 to 60, and 37 deputies are of retirement age, that is, over 60.

The vast majority of Duma deputies—357—are white-collar employees by social status. There are another five who are workers and eight who are ordinary peasants, one student, two persons belonging to "free occupations," two pensioners, and 12 unemployed. It must be noted that former RF people's deputies who had not had time to find jobs during the period between parliaments were assigned to the latter category, so they are also white-collar employees.

The Duma deputies' former occupations are extremely diverse, and it makes sense to note only the most common. Thus, 48 parliamentarians came from science, 47 from the entrepreneurial sphere, 43 from public education, 30 from agriculture, and 28 each from law-enforcement agencies and the central government. It

must be added that one of the former entrepreneurs was killed and the other, on the contrary, is suspected of manslaughter, while a third stood on the eve of his election accused of fraud and theft. This criminal shading is an accomplishment of the new parliament. Such a thing did not exist in the former Supreme Soviet.

Finally, the Duma deputies' educational level is very high. Of them, 424 have a higher education and only 21 have only a secondary education. There are 99 candidates of science and 50 doctors of science among the deputies. There are about 10 academicians belonging to various Russian academies.

#### **Last-Minute Rush Work—Success or Failure?**

The State Duma was in session for 193 days. During this time it considered 205 draft laws. Only on 99 of them did it manage to make deliberate decisions. Forty-four laws were passed in their entirety, 39 were passed on first reading, three were passed on second reading, and 13 were rejected. The rest were put off until fall. Thus, it works out to two days (including weekend days and holidays) per draft law. Taking into account the moving from building to building, the lack of normal premises for work, and the numerous organizational foul-ups that occurred through no fault of the Duma deputies, what was done was not so little. Although, on the other hand, the president, according to his head of administration Filatov, signs more than 100 edicts a week.

The Duma has a different pace. In the more than six months, as already noted, 44 laws ready for use were adopted. But 40 of them were voted on and passed in the past month alone, and 32 of those were voted on and passed in the final week of work. That decisive week accounted for 23 of the 39 laws passed on first reading and two of the three passed on second reading. What we have is a burst of labor productivity just before vacation, which attests, however, to legislative rush work and the kind of feverish last-minute effort that traditionally marked the end of a Soviet plan period.

The statistics say nothing about quality. However, the Federation Council and the president can provisionally be called the quality control department or "state acceptance" inspectors. The Federation Council and the president, without whose approval the laws do not enter into force. But the senate has managed to approve only 13 examples of the Duma's output, and 10 of those have been signed to the president. In order to cope with the main legislative avalanche that poured down on them in the next-to-last week of July, the "controllers" will need rush work of their own.

#### **What Is for the People and What Is for Themselves**

The documents adopted by the Duma include those that can be considered laws of priority state importance: the Law on the Budget, the Law on the Constitutional Court, and the law on the first part of the Civil code. Laws connected with the law-enforcement and judicial sphere

and the fight against crime are presently in various degrees of readiness (no lower than first reading). Granted, the main draft law in this series—on combating organized crime—never did manage to get considered. On the other hand, time was found to pass a federal Law on Material Support and Provision of Medical Services to the Family of A.D. Ayzderzis (the murdered entrepreneur deputy).

The Duma paid tribute to foreign policy. On that subject, five laws were passed, including—on first reading—a law that is unique in world parliamentary practice, the Law on Suspension of the Russian Federation's Participation in International Sanctions Imposed Against Yugoslavia. As a point of information, the sanctions were imposed not by Russia but by the United Nations, but a draft Law on the Russian Federation's Withdrawal From the United Nations has not yet turned up in the depths of the parliament.

To be fair, it must be noted that the Duma also concerned itself with domestic policy and, naturally, did not forget the social sphere. As a result, it passed altogether six laws on taxes—by way of reducing and relieving them—and five laws on pensions—by way of increasing them. The minimum wage was also increased in a special law. To this one can also add the Law on the RF Human Rights Commissioner, but this federal constitutional law was passed only on first reading.

And the deputies passed only two laws exclusively for themselves: the Law on the Status of the Deputy and the Law on the Procedures for Covering Bodies of State Authority in the State Mass Media.

#### **Accord for the Sake of Benefits**

The president, as we know, signed the Law on the Status of the Deputy. And he immediately sent the deputies he had favored a letter in which he commented on his signature as follows: "This was a difficult decision, since there are obvious legal rough spots and conflicts with the Constitution, and there are benefits here that the voters may justifiably condemn." Having thus put down his signature in violation of the Constitution, Boris Nikolayevich added: "I regard this decision as one step toward fulfillment of the Pact on Social Accord." In addition, he promised to send the Duma amendments that he urgently recommended it adopt. With that, the discussion ended. The amendments have never reached the deputies, and the law and the benefits it establishes have remained unchanged.

For a Duma deputy, a "monthly salary and additions to it shall be established in the amount of the salary of a federal minister and the additions to that salary." As of today, that totals 700,000-800,000 rubles. In addition, a Duma deputy is "compensated monthly for expenses connected with the activities of a deputy in an amount equal to five minimum wages." Considering the fact that the Duma increased that minimum wage, it works out to

an additional R135,000, which, unlike the basic salary, "is not subject to income tax."

Finally, a Duma deputy, when leaving on vacation, is supposed to receive a so-called "medical treatment allowance" in the amount of double his monthly monetary compensation.

In order that he may work more successfully, a deputy is granted "medical and everyday services on terms established for members of the RF parliament" and "individual office premises equipped with furniture, office equipment, and telephones, including a government telephone." The last part, incidentally, remains unrealized, and the slogan "a government telephone for every deputy" is far from being implemented.

### Kvasov Defends Work of Government Apparatus

944F1144A Moscow OSHCHAYA GAZETA  
in Russian No 35/55, 29 Jul-4 Aug 94 p 8

[Interview with Vladimir Petrovich Kvasov, head of the government apparatus, by Yelena Dikun: "Kvasov Under Fire? The Head of the Government Apparatus is Confident in Himself, in His Present and Future"; date and place not specified]

[Text] The head of the government apparatus, Vladimir Kvasov, has the reputation of being one of the most influential people in the Cabinet—almost the second person after Chernomyrdin. However, recently he has suddenly come under an all-round field of fire. At first, the president declared at a press conference that "we need to put things in order with Kvasov." Simultaneously, the prime minister has claimed, they say, the decisions of the government are being poorly executed. Recently the deputies of the State Duma, too, voted for the dismissal of Kvasov from office. Does this mean that the chair under the head of the apparatus has started to reel?

[Dikun] Vladimir Petrovich, did they "put things in order" after the statement of the president?

[Kvasov] There were no investigations after this.

[Dikun] What called forth the president's statement at the time that "such an action was undertaken in the apparatus together with Kvasov?"

[Kvasov] Naturally, for no particular reason this does not happen.

[Dikun] You want to say that they set you up?

[Kvasov] I do not accept such a word, possibly, they reported in a certain light.

[Dikun] And what kind of a story is this with the deputies. They assert that you did not allow them into a session of the government.

[Kvasov] Strictly speaking, there is no story here. I have already grown tired of vindicating myself on this subject. Yesterday (22 July—Editors) I gave an explanation to

the Committee for Business Affairs of the State Duma; after this, they decided to come out for a session of the parliament with the request to reconsider the previous decision. But if you are interested in the details—please. The expanded session of the government was to have been held in the Marble Hall of the Kremlin, and it has only 648 seats. For this reason, the number of participants was deliberately predetermined. We invited 43 deputies—the leadership of the Duma, all committees, the apparatus, and the leaders of the fractions. However, on 14 July, on the eve of the conference, already in the evening, I received a fax from the parliament with a list of 154 people. For a long time we conducted negotiations with the Duma leadership, we explained that in purely physical terms it is impossible to accept so many people, but we did not come to any agreement. When in the morning I came to the Kremlin, it turned out that the guard is not admitting the deputies who are not included in the lists of the invited. A number of persons (this was still before my arrival) kicked up a racket and then ran to the Duma and started to meet there. Those who waited for me did not have a problem—we let all pass into the hall. By the way, of the 154 deputies a total of exactly 20 persons came.

[Dikun] Well, and the criticism of Chernomyrdin, that the decisions of the government are being implemented poorly, that the office work is poorly organized—these are stones [thrown] in your kitchen garden?

[Kvasov] The apparatus does not implement the decisions of the government—that is the task of the ministries, agencies, etc. We have two basic functions: The preparation of decisions of the government and the monitoring of their execution. I can practically in a matter of minutes find any document that has gone through the government. Every day we prepare information for the president and the prime minister about how the decisions that have been adopted are being executed. Such monitoring makes it possible to see who is working and who is not. Unfortunately, in the provinces some decisions executed, or are not executed in time, or not executed at all. For example, the Ministry of Finance did not carry out in time a number of instructions [porucheniya] of the government. Of course, Viktor Stepanovich has every reason to call the minister and...

[Dikun] And give him a dressing down? But has he given you a dressing down? And in general, is Chernomyrdin satisfied with your work?

[Kvasov] This question needs to be broken down into two: Is he satisfied with the work of the apparatus and my work personally? These, as they say in Odessa, are two big differences. And so: He is not always satisfied with the work of the apparatus. In March a very sharp and fundamental [printsipal'nyy] discussion took place with the heads of our services. After this, the apparatus noticeably tightened up, although there are still things that deserve severe criticism. Well, and as far as the



assessment of my work personally is concerned, it is better to pursue this with Viktor Stepanovich.

[Dikun] They say that you are on very friendly terms with him. Poltoranin has called you the right hand of Chernomyrdin.

[Kvasov] Well, that is Poltoranin, who listens to him today? I am not any kind of right hand, I am an ordinary apparatus head. It is the cabinet of ministers which is the hands of the prime minister. I have purely working relations with Viktor Stepanovich. Although we have been acquainted for a long time.

[Dikun] Again they say that the likes of ordinary ministers and vice-premiers are at your beck and call. . . .

[Kvasov] These are journalistic stories. No one is at my beck and call. I am not a lover of power and per se a rather accessible person. Ask my employees—any of them may without ceremony come into my office at any time.

[Dikun] As you see it yourself, for what qualifications were you appointed to this post?

[Kvasov] I have experience: For all that I worked for 14 years in the apparatus of the Council of Ministers of the Union—something remote. All the more so, the last 10 years I was head of the secretariats of deputy chairmen: At first of Dymshits, then Shcherbin, then Ryabev. That is, I know the apparatus kitchen well, perhaps even too well. . . .

[Dikun] It is precisely this association with the nomenclatura of which the democrats remind you most often. They reproach you for the fact that the apparatus of the government has become transformed under you into a reactionary underground that is torpedoing the reforms.

[Kvasov] Let us agree, I will only answer the seriously argued claims or those supported with documentary evidence that have been made against the apparatus. And let any sort of rumors and conjectures remain on the conscience of those who invent and circulate them. Not by chance do they say: Those who do not work are not criticized. If I were to make tea in my office—let the deputies work, I have up to five of them—no one would criticize me. True, who would then need me. Although I am not holding on to this place, and I am ready to leave at any moment. I will collect my things and I will leave.

[Dikun] And where then?

[Kvasov] Then, you know, I am a deputy, during the coming year I have one road—into the Duma.

[Dikun] You are not exactly in any hurry to take this road. During these 6 months, how many times have you been in the Duma?

[Kvasov] This question is not simple. Indeed, I practically am not present in discussions of general questions.

But when questions are examined that require fundamental decisions, I always go and vote.

[Dikun] According to the law "On the Struggle Against Corruption", highly-placed state officials will now have to submit a declaration of their income to the tax inspectorate. Let us imagine that they have already ordered you to complete it.

[Kvasov] I am ready.

[Dikun] About the income, both your own and that of the members of your family.

[Kvasov] My salary is 312,000 plus increments for length of service—this is 40 percent, plus 50 percent for the unnormed character [nenormirovannost'] of my work, and another 20 percent for secrecy. Once a quarter, we have bonuses in the amount of the salary. All receive two salaries when they go on vacation. On the average it comes to 700,000 to 800,000. But now, after the edict of the president on increasing the pay of byuzhetniki [people whose salary comes from the state budget], this must be multiplied by a coefficient of 1.4. So that soon I will receive more than 1 million. My wife receives a pension in the amount of 140,000. My daughter and her husband live with me, at present they temporarily do no work. It turns out that they are also living at my expense.

[Dikun] On real estate and valuable personal property valued at over 200 minimum salary rates, including those located outside the borders of Russia.

[Kvasov] I have a "Zhiguli", Model 5, I bought it already in 1991 for 8,300. Since I practically do not use it, I consider it to be new. Probably, now it costs several million. A couple of years ago, I purchased a small panel house [shchitovoy domik], I wanted to put it up in the village where my mother lives, but I have not had time. I do not have property abroad.

[Dikun] On salaries in banks and securities, including outside of Russia.

[Kvasov] I do not have bank accounts, if we do not consider saving account books lying about somewhere for 20,000.

[Dikun] About direct or indirect participation as a shareholder or co-owner of off-shore and dother companies and funds?

[Kvasov] I worked for almost 19 years in Gazprom [State Production Committee for the Gas Industry]. Obviously, some shares were offered to me there, but I was not interested.

[Dikun] About property deals for sums in excess of 200 minimum salary rates that were completed after the submission of the previous declaration.

[Kvasov] No, I did not make any purchases for such a sum during this time.

[Dikun] About presents, material goods, and other services valued in excess of two minimum salary rates, with indication of their enumeration, estimate monetary terms, and sources of receipt.

[Kvasov] Here is a gift from the prime minister of India (he shows something in the likeness of a wooden box [shkatulka]. It's beyond me what it is, or how much it may cost. There is also an icon of the Patriarch of All Russia Aleksey II. (It is located in Kvasov's office). I received it, as did other members of the government, during the ceremony of the consecration of the Kazan Cathedral. More presence, apparently, I did not deserve.

## Majority Party Views Examined

### Deputy Chairman on Political Situation, Crime

944F1134A Moscow ROSSIYA in Russian No 26,  
13-19 Jul 94 p 3

[Article by Feliks Yemelin, deputy chairman of Majority Party: "There Is No Fear of Field Courts-Martial..." First 11 paragraphs are introduction]

[Text] The Majority Party is the youngest political organization in Russia. It was founded on 15 February 1994 and was registered with the Russian Federation Ministry of Justice. The party chairman is Vyacheslav Grechnev and the deputy chairmen are Feliks Yemelin and Genadiy Okun.

The party's supporters now number close to 300,000. It has 58 regional branches. The party has no official ideological doctrine, but its declarations are close to the traditionalist point of view. It advocates a socially oriented market economy. Its social base is made up of the middle strata of the population. Democratic centralism is the fundamental principle of the inner workings of the party.

In the last six months the Majority Party has done the following:

- held a contest for the most radical plans for the reform of the Russian tax system;
- financed the development of the "Russia's Second Bread" program for the storage and processing of potatoes;
- allocated funds to send a Russian team of disabled athletes to the Para-Olympics in Lillehammer;
- began offering financial assistance to the families of those who died during the events of October;
- organized and financed an ecological expedition on Elbrus;
- collected funds for the new production of "Assembly" in the Moscow Satirical Theater;
- subsidized the filming of S. Samsonov's "Cherished Star of Love," based on the works of A.N. Tolstoy.

The official party emblem is the trefoil, an ancient symbol seen in many Orthodox churches, Muslim mosques, Buddhist temples, and other religious structures. The three leaflets correspond to the party's declared principles of stability, legality, and patriotism. The middle one—the yellow one—is associated with the color of the sun and of golden church domes and reflects the supremacy of the law in society, underscoring the concern for the interests of the "third estate." The party is not represented in the Federal Assembly. It has participated in the work of the president's Public Chamber. In May 1994 it signed the Treaty on Social Accord in Russia.

The work on the construction of a bureaucratic state is being completed in Russia. The regime is protecting itself in every way possible. The authorities are returning to the traditional Russian—forcible—methods of governmental reform. This is the underlying motif of public statements by liberals considering a move to the opposition. Sergey Yushenkov, chairman of the Duma Committee on Defense, reported that Russia's Democratic Choice intends to ask the president to remove the FSK director from office.

Therefore, the radical democrats will not give Sergey Stepashin, one of Boris Yeltsin's long-time associates, a vote of confidence. Is he the only one? Time will tell.

Under these conditions, the "president's party" is acquiring some uncertain features. Can a battering ram be used to build something? The answer is obvious. I can ask the question in another way: During the phase of governmental construction, can we rely on a political organization which was established during the era of perestroika to seize power and destroy the "bastions of totalitarianism"? Probably not, because our present objectives call for different qualities. That is the reason for the return of people from the old school of public administration. The public response to the election, for example, of ex-Premier Nikolay Ryzhkov as chairman of the board of Tveruniversalbank was positive.

Boris Nikolayevich knows this too. At the crucial time when his political future was being decided, he did not encumber himself with any official affiliation with "Democratic Russia" and left himself room to maneuver. He always acted on his own.

An essential condition for success is the existence of an influential party of "Russian Gaullists" capable of consolidating social forces around traditional values and a publicly acknowledged program of action, based on the president's latest economic edicts.

There are some signs of stabilization in the national economy. The average monthly rate of inflation has dropped to 7 percent. The government is manipulating the total amount of money in circulation, to avoid overheating the economy by issuing more currency. This is the first time the more vigorous economic activity has not been connected with the issuance of "hot" currency.



This has not silenced the critics, however. They are saying that the government lacks the necessary strength of will to take stringent anti-crisis measures. The Chernomyrdin team has been compared to a random group of sectorial lobbyists and malleable individuals with no control over the situation in the country. Are things really that bad? Businessmen have been given their freedom. Now they just have to learn how to use it wisely. The possibility of this can be judged from the experience of the "defense complex," which has already mastered the production of many civilian goods. Many directors of state enterprises, however, are still inclined to believe that the problem of non-payments can be solved by printing more money and instituting a new 100,000-ruble bill. Instead of developing the marketing system with the aid of skilled specialists in management, they throw up their hands, "devour" their credits, and then expect subsidies. They will not get them; at least I hope not.

The government, however, might not be able to resist the demands of "big politics," in the fear that hidden unemployment will take more obvious forms. We keep hearing that the bankruptcy of unprofitable production units will cause social upheavals. If we want to stand fast, and not justify inflationary expectations, we will need a social component to guarantee the irreversibility of the present policy line. The president's party is not necessarily the party in charge.

As far as the rumored confrontation between radical democrats and the special services is concerned, this already happened in Russia on 19 August 1906. The tsarist government instituted field courts-martial to deal with the growing anarchy and revolutionary terror, and this aroused the indignation of liberals. Aleksandr Guchkov, the Octobrist leader who later became the head of the Third State Duma, supported "speedy justice by firing squad" at that time. When there is a revolution outside, he said, there is no time to indulge in democratic illusions and jeopardize the remains of our wealth.

Car bombs and guns are killing people of different ages and social circumstances in Russia today, but the main cause for alarm is not the old Mafia, not the "shadow merchants" who have been integrated into the new economy, but the new crime wave connected with our uncontrollable and superfluous youth. Young people without any jobs or prospects for the future are arming themselves with guns and forming gangs. This is a terrible and inexorable force. Under these conditions, the presidential edict on the fight against gangsterism seems to be intended, in my opinion, to give the Russian special services self-confidence by getting rid of the "besieged fortress" mentality. No one is planning to institute political courts-martial.

As long as we have a reliable system to safeguard our state security, our businessmen can feel safe. The collapse of the system will mean only one thing: the curtailment of business contacts and the transfer of capital to other countries—to countries with reliable national security safeguards.

### Career of Party Chairman Viewed

944F1134B Moscow ROSSIYA in Russian No 26,  
13-19 Jul 94 p 3

[Article by Sezar Sebad: "Not Drained by the African Sun"]

[Text] The majority of practicing politicians probably would give up many of the pleasures of life for a fresh start in their public careers. Vyacheslav Grechnev, chairman of the Majority Party, had this opportunity. He entered politics when many of his contemporaries were already planning to write their memoirs. He worked for "Inturist" and then became a master of martial arts, with a fourth-degree black belt in karate, spending the 1970s organizing what he refers to as an "illegal sports business," and then exchanged his kimono for the jacket of a taxman in Riga.... He is also an author and writes short stories.

That is how perestroika passed Grechnev by. Of course, he took a lively interest in events in the still extant Soviet Union, sympathized with Gorbachev, and then supported the disgraced Yeltsin. He was like many others, with the sole difference that the information reaching Africa, where the economic agency had sent him to work, was far from the latest news.

Grechnev returned to Moscow from his overseas assignment in summer 1990. It was a different country, populated by different people. He had to review his options and make a decision.

"There was a time in my life," he says with a smile, "when I raced back and forth in my 'Eagle,' trying to choose between St. Petersburg and Moscow. The first capital 'won.' I went to work for the RUSSIAN NEWS AGENCY (RIA). I was working there at the time of the fierce battle between the old and new political clans. The news barons had no intention of surrendering. Kravchenko came to the television station to "execute the will of the president." As for Gorbachev himself, he never was able to turn the reformist wing of the CPSU into a 'president's party' and began maneuvering, seeking the support of temporary allies. The events of August 1991 put an end to his maneuvers."

Now it is somehow inappropriate to talk about the defense of the White House: This was not a coup at all, people say, it was just a parody of a putsch. It is particularly inappropriate today, after the hostilities in the very center of the capital, but then the events were seen differently. When Grechnev is asked about those days, he does not conceal the fact that he rode around the city putting up posters and that he and his agency colleagues fought over every scrap of news about the parliament.

Two years later Vyacheslav Grechnev did not defend the soviet building. Furthermore, he was not among the supporters of Boris Yeltsin, and not because the former journalist, who was the head of a tourist firm by that

time, put his business above everything else. The firm did keep him busy, but the main thing was his reluctance to play political games with people who refused to pay their bills, citing circumstances beyond their control. At the crucial moment he could have been seen outside the municipal building of the capital, where he went to find out what was going on.

After the disappointing elections to the State Duma, Grechnev convened a group of kindred spirits and began working on a political project of his own.

"Just look at how many parties there are," he was told. "Is there even room for one more? Especially one without any political capital?" Grechnev did not agree.

First of all, the economic prerequisites for a genuine multi-party system had been established. The parties which existed before October reflected different currents of thought in the intelligentsia or, at best, the interests of the narrow stratum of new businessmen and enterprise directors. This was the reason for the failure of the efforts of businessmen to form a respectable bourgeois party.

"The redistribution of most of the property in Russia was completed in October 1993," Vyacheslav Grechnev says. "I personally do not like Chubays, but he has to be given credit for carrying out privatization so quickly. Several hundred people died in October. If privatization had taken 10 years, how many more would have died? The redistribution of property in other countries has been accompanied by wars and considerable bloodshed. Russia has managed to avoid this so far."

Second, the elections did not result in the representation of all segments of the population in the Federal Assembly. According to Grechnev, this is apparent from the estimate that the present corps of deputies represents the interests of 17-20 percent of the Russians at best.

That is how the Majority Party got its name. The dilettantes went into politics—and with some success, judging by the growth of the party ranks. Grechnev traveled almost half the country on a tour of regional branches.

In terms of his views, Grechnev is a traditionalist. The talk about ecumenism, Orthodoxy, and the rebirth of the Russian national identity is alien to him, and not because he is some kind of heathen. It is simply that he approaches these matters and others from the practical standpoint, professing the ideology of the middle class.

"I often hear," Grechnev continues, "that the middle class in Russia is just starting to take shape. I beg to differ. It exists. We feel that the people who belong to this class are all of our doctors, teachers, skilled workers, managers, small and medium businessmen, people in the arts and the military, athletes.... In short, the majority of the population. We do not have to judge this by the standard attributes—how much people buy, which currency they use, etc. That would mean that a professor, for

example, who just barely ekes out a living belongs to the lumpenproletariat, whereas an expert in getting money out of thin air—a businessman—is the pride of our nation. The redistribution of property in the country had some of the same effects as a natural disaster. If the new property owners do not realize that the welfare of the middle class is the basis of stability, including the stability of their own property, there might be demands for 'another redistribution.' A society divided into a lumpenproletariat and the 'overlords' is a lethal threat to its citizens."

With his centrist views, Grechnev turned out to be on the same path as Yegor Gaydar, creating a dilemma: capitalism or communism? If it comes to a fight between liberalism and traditionalism, which will win? After all, both leaders are appealing to the same social stratum. We can assume that the Majority Party has a chance of becoming the Democratic Choice's opponent with a "market face."

"Gaydar did not work out as the prime minister. He could not set the priorities of national economic development and completely ignored the social component of the reforms." The president is a different matter, and he represents, according to the leader of the Majority Party, a guarantor of stability at this time. Things are not that simple, however. The party came into being, as I already said, after the local civil war, which is what some people are calling the tragic fall confrontation in Moscow. Grechnev and his associates refused to sign the pact Boris Yeltsin was proposing. Instead of that, the Majority Party—and it was probably the only political organization to do this—began offering financial assistance to the families of the people who died in that confrontation.

When the line of signatories in the George Hall of the Kremlin had thinned out considerably, they decided to endorse the Treaty on Social Accord in Russia. The reason? The proposals of the Majority Party were taken into account in the final draft.

The financial health of the party disturbs those who like to count other people's money. Even reasonable people have wondered whether there might be some connection to the Medellin cartel.

"But of course there is," Grechnev laughs. "After all, we represent their interests in Russia; and not only theirs, but also the interests of the Italian 'Cosa Nostra,' Thailand's drug mafia, and all the rest.... Seriously, the party acts on the basis of private and confidential contributions from the businessmen who support us."

Grechnev belongs to the now rare breed of politicians that was so common in the age of the "great empires." These were people with an excellent education who were sent to overseas colonies to serve the British or French flag. They came back home with a wealth of experience and a need to stay busy. Many of them became famous public spokesmen.

Grechnev does not fit into the political beau-monde of Moscow—and not only because he has the impressive dimensions of a former athlete, but also because of his manner, his attitude toward the politicians whose ambitions exceed their capabilities, and his neophyte zeal to take action in support of his claims to a place in the sun. It is clear that the African sun did not have a debilitating effect on him.

### **Shenin, RCP Make 'Tactical Compromise'**

944F1137A Moscow NEZAVISIMAYA GAZETA  
in Russian 12 Jul 94 p 2

[Article by Anna Ostapchuk: "Revival of the CPSU Is Proceeding Full Speed"]

[Text] At the plenum of the Council of the Union of Communist Parties-CPSU that was held last weekend, the RF Communist Party was accepted as a member. In addition, the Ukrainian Party of Communists and the United Communist Party of Georgia joined the UCP-CPSU, and the Communist Party of Azerbaijan joined as an associate member. Oleg Shenin, chairman of the Council of the UCP-CPSU, addressed the meeting's participants with a rather unusual speech about the tasks of communists in the present situation, in which he designated the new realities.

In particular, the leader of the internationalist communists postulated a transition to a postindustrial society and the need on the part of a renewed state to support high technologies. In order to come to power, communists must create a broad leftist alliance whose chief unifying principle will be statism and a recognition of geopolitical responsibility for the entire territory of the Soviet Union. In addition, Shenin stated the impermissibility of lapsing into the extremes of either social democracy or nationalism. All of those who were present were instructed to synchronize themselves "with the hands of history."

Thus, a strategic line of the UCP-CPSU was defined that is aimed at forming a new ideologically whole political entity that will be able to take power in the country. The next, 30th congress of the UCP-CPSU was slated for the first half of 1995. However, without waiting for the "all-Union" forum, the orthodox communists intend to unite on a quasi-confederal basis in the very near future. Representatives of the entire "red spectrum"—from Nina Andreyeva's All-Union Communist Party of Bolsheviks, which, as is known, favors a dictatorship of the proletariat (incidentally, agreement was reached on a compromise interpretation of that term), to Vladimir Kryuchkov's Party of Communists, which allows private property—will join the Roskomsoyuz [Russian Communist Union] association.

The plenum's most sensational event must be considered the joining of the UCP-CPSU by the RF Communist Party, which had not intended to do so until recently,

since it did not consider the CPSU a sufficiently authoritative structure. However, after the RF Communist Party's attempts to create an alternative communist union in the post-Soviet space failed, this decision was obviously forced upon it. Many members of the Council of the UCP-CPSU also regard the Russian Communist Party without great enthusiasm, considering its "nationalist leaning" to be harmful. So, from every indication, its joining is only a tactical compromise and in no way eliminates the conflicts existing in the leftist movement.

### **Lipitskiy on 'Social Democracy'**

944F1137B Moscow NEZAVISIMAYA GAZETA  
in Russian 14 Jul 94 p 2

[Article by Vasilii Lipitskiy: "Algorithm of the Russian Social Democrats' Actions: They Must Rid Themselves of Their Innate Caution, Moderation, and Circumspection"]

[Text] the currently popular reflections about the future of Russian social democracy have illuminated most clearly the fact that it has no past. Alas, no stable social democratic tradition ever developed in Russia. There were only contractions that were never concluded with a birth. There were sparks from which a flame never did emerge.

By offering this conclusion I would not want in any way to cast doubts on the services of those who attempted to fan those sparks. In most recent times, everything probably began with the Brezhnev detente, when part of the party elite and scientific intelligentsia was able to become acquainted with the practice and theory of Western social democracy through personal contacts, rather than only in restricted library collections. After that there were noncommunist, anticommunist, and postcommunist social democrats, but none of them succeeded in the attempt to transplant the bright red rose in the clenched fist in our soil.

Why? The answer to that question can be sought on two levels. The first is the distinctive features of the country's social and economic development and of the public mentality formed under the influence of those features, factors that have so far always led to the triumph of Bolshevism. But that topic, in the first place, has already been thoroughly exhausted, and in the second place, is fruitless, since it requires dealing with highly, highly abstract categories.

The second level presupposes an examination of the concrete reasons and circumstances that have impeded the development of precisely this political tendency (while abstracting oneself, as it were, from the general background that is the same for all). That is what we shall do right now.

First, we have leaped over a fork in the road. Until August 1991 trends, despite their contradictory nature and despite all the difficulties, were leading toward civilized and gradual changes. In the context of those



trends, the establishment of a mass social democratic party comprising a substantial part of the CPSU was perfectly feasible.

August events crossed out that possibility along with others. Moreover, the social democratic path, which had looked progressive before them, came to be perceived by the public as clinging to the past, as an attempt to avoid radical reforms. The triumph of liberal ideas came to be unqualified, and for a moment the path to the market and general prosperity seemed quite easy and short.

Second, by virtue of its organic disposition, social democratic policy appeals to reason rather than emotions and is often based on half tones. It is for reforms and for the market, but with numerous qualifications. Alas, for precisely that reason it is relatively incomprehensible to the majority of our fellow citizens and appears to be "neither this nor that." In present-day Russia social democratic policy is, for all practical purposes, equivalent to centrism. But centrism is unpopular precisely on account of its in-between quality, because of its lack of a vivid face that can be remembered by voters.

Third, so far social democrats have not so much sought allies as attempted to distinguish themselves, first from the communists and then from competitors in their own niche.

Aspirations to monopoly and exclusivity are highly developed among the social democrats. Hence the multiplicity of social democratic groups separated almost exclusively by personal disagreements.

Fourth, the situation in the trade union movement as the social democrats' traditional mass base. The trade unions have ceased to be an appendage of the state performing social functions under its authority, but they have not yet been able to become a mass, self-directed organization of working people that defends their interests.

The traditional trade unions have been experiencing obvious fear in the face of political self-determination. Sometimes one gets the impression that what they want most of all is to be recalled as rarely as possible, since they expect only changes from the worse from public attention. In contrast, the new trade unions are excessively politicized and inspired by one passion, but a flaming passion—to destroy the old trade unions.

This sort of situation is extremely unpropitious for social democrats, who everywhere in the world rely on trade unions. Without changing it, it is difficult to expect a significant increase in social democratic forces.

Fifth, the passive, wait-and-see politics of the Socialist International and the parties belonging to it. It has especially been losing out against the backdrop of the intense activeness manifested in Russia by the social democrats' political competitors. In the new Russian parliament the latter have been conducting daily work

with factions and committees and purposefully developing future partners for themselves. Unfortunately, the foreign social democrats have been doing nothing of the sort.

The problem lies not so much in more modest financial possibilities as in the Socialist International's confusion in the face of the confusing situation in Russia. It cannot make up its mind on the choice of a partner, putting that choice off until the time when everything takes shape of its own accord. Consequently, it seems, both the Socialist International and the Russians who share its views are losing out.

Nonetheless, despite the scale of the difficulties that have been cited, there is no sense of the hopelessness of our cause. The chief cause for optimism lies in the fact that lately objective tendencies have again started to favor social democrats. An awareness of the falseness of the chosen reform model has been developing in society, but it is not leading to any desire to restore the former system. And the "third path" is the specialty of social democrats, who have an obligation to take advantage of the moment to put forward an intelligible alternative. Such an alternative absolutely must be clear and, in its own way, radical. Its success will depend directly on the extent to which the social democrats are able to rid themselves of their innate caution, moderation, and circumspection. They need recognizable, strong, and energetic leaders who are capable of unifying people around themselves.

Our country's social democratic concept will differ significantly from the classic one. We face historic tasks that our European colleagues have not had to tackle: the development of a new economy and the preservation (strengthening) of statehood. The latter is especially important in Russia, where civic patriotism is already becoming a mandatory component of any social idea. Therefore, the social democrats must be prepared to cooperate with reasonable patriotic forces, which means that they must be able to distinguish them from the nationalists and chauvinists. This vital problem is presently the most debated and has given rise to a mass of conflicts in the actual social democratic movement, where there are still many people who are accustomed to disdainfully wrinkle their nose at the mention of patriotism.

The problem of identification for the social democrats is difficult in general, taking into account the rush from the right and the left of those who want to consider themselves as such. So far the struggle for the purity of ranks has led to no good, and today it is much more important to arrange cooperation among those who are capable of mutual understanding.

A concrete step in this direction was the recent establishment of the Russian Social Democratic Union, which was joined by nearly all the existing associations of the pertinent orientation (which, however, preserved their own organizational structures too). Nearly all, because a

part of the Social Democratic Party of Russia that is closest to the liberals, and a part of the Socialist Labor Party that is clearly drawn to the communist wing have remained outside the union.

The recruiting of citizens for various political organizations has a natural limit under normal conditions, and under our conditions that limit is not high. A real reserve for the social democrats lies in the aforementioned trade unions, the reform of which should be fostered in every way possible, and in all other forms of citizens' grass-roots activities, citizens' initiatives, local government, and so forth.

Russian social democrats must also arrange and coordinate their international contacts, overcoming the Socialist International's cautiousness and aloofness, and trying to get it to understand the need to develop partners for itself in Europe, rather than waiting for them to develop of their own accord.

Such is the algorithm of actions that can give an impetus to Russian social democracy and open a clear and more confident prospect before it. We should not expect rapid success along this path. So far, only the prologue is being written in the modern history of our movement.

#### **Baburin Outlines Opposition Stance**

*044K2006A Moscow ARGUMENTY I FAKTY  
in Russian No 31, Aug 94 p 3*

[Interview with Sergey Baburin, leader of the opposition party Russian All-People's Union (ROS) and deputy of the State Duma, conducted by Valeriy Batuyev: "Baburin, Who Lives Not in the USSR"]

[Text] Prior to the October events, this politician was frequently likened to a young Ulyanov. The fiery speeches, the little beard... Today the leader of the Russian All-People's Union (ROS) opposition party is a deputy of the State Duma. He sits in an office with a view of the capitalist Moscow: The McDonalds restaurant, the buildings with huge billboards on the roofs: SANYO, GILLETTE.

[Baburin] To say that, as before, I live in the USSR is both correct and incorrect. I still hold the passport of a USSR citizen.

The history of the Soviet Union is concluded. Criminally, but concluded. The state which today is called the Russian Federation for me is not Russia. It is the remnants of Russia, cut up into pieces, cut along lines which were outlined back in the 20's and drawn in '91. For me Russia is something greater than the Russian Federation. And I hope that the next few years will lead to a reunification of such republics as the RF [Russian Federation], Belorussia, Ukra'ie, and Kazakhstan.

Today it is impossible (and unnecessary) to return to the national-state arrangement which existed prior to 1991. It is just as naive to speak today about a return to the

system of provinces. It is necessary to create a federation of territories (a strict federation) and a union of nations. In this respect, I live in a state which after a very short interval of time will once again become the great Russia, or the Russian Union.

[Correspondent] Do you support the proposal of Anatoliy Lukinov: For the Duma to denounce the "Belovezhskiy Agreement," which accelerated the death of the USSR, and to punish those who signed this document?

[Baburin] The CIS is a stillborn project. I said this even back in 1991 in the Supreme Soviet. But we cannot denounce the historical process. Even if it proceeds in a direction which we do not like. We must correct the historical mistake without touching the "Belovezhskiy Agreement." It must be touched only to acknowledge this document as a historical mistake and to punish those who destroyed the Soviet Union. To punish them politically and juridically.

The restoration or creation of the union state must pass through the structure of new legal documents: Through laws, through treaties, through referenda.

[Correspondent] Today the Council of the State Duma is often compared with the Supreme Soviet Presidium, in which the deputy "elite," as they say, have written the scenarios ahead of time: Who shall be given the floor, what law to "stonewall." That is why the Duma works poorly.

[Baburin] I believe the Duma Council may be compared even with the Politburo of the CPSU Central Committee. It is true, the Politburo was distinguished by professionalism and state thinking.

[Correspondent] By the way, are you still a communist?

[Baburin] I was a member of the CPSU until 1991. I did not leave the party and did not burn my party card, although in 1990 I quite consciously became one of the organizers of the first non-communist opposition. I organized the deputy faction "Rossiya," whose principle consisted of the fact that our people cannot be divided into "whites" and "reds."

[Correspondent] Nevertheless, your faction "Rossiya" split into the "whites" and the "reds." Part of the deputies became the backbone of the communist party, and part went to the ROS, while some left politics altogether. Now the same split threatens also the party which you head up. Some speak out with imperialist ideas, others for the restoration of the USSR, and still others are nationalists...

[Baburin] The currents within the ROS really are varied. However, all the members of our party stand on great power and national-patriotic positions. We recognize the pivotal role of the Russian nation and the historically formulated multi-national society of Russia. That is why our party is called the Russian All-People's Union. And



if a party does not have different currents and opinions—this will lead to its degradation.

[Correspondent] Recently you said that within a month the opposition would prepare a plan for unification of its broken ranks. But the unforeseen has happened: You left the movement of "Agreement in the Name of Russia."

[Baburin] Actually, the ROS refused to enter this movement. Because certain individuals held, much to our regret, positions of conciliation and unprincipled compromise with Yeltsin's political regime.

[Correspondent] Whom are you referring to?

[Baburin] I am referring to those parties which supported the government budget and thereby supported the economic course of the government, which was based on this budget. These were communists and agrarians... Unfortunately, there is no interaction between the opposition parties.

[Correspondent] Who among the opposition may become a generally accepted leader?

[Baburin] Fortunately, and at the same time unfortunately, the opposition today has very many leaders. Each of them has his advantages and his shortcomings.

[Correspondent] For example?

[Baburin] I would not like to discuss anyone now. Out of politeness. And secondly, this may have an effect on the unification of the opposition.

[Correspondent] Sergey Nikolayevich, why did you shave off your famous beard after the events of 3-4 October?

[Baburin] These events, which showed the open anti-state policy of Yeltsin, made me more harsh. And this demanded some outward changes. I gave up the outward signs of liberalism. If we are to choose between historical analogs, today I prefer to wear a moustache.

[Correspondent] The appearance of a socialist?

[Baburin] Yes. I am not the only one who is convinced that today the basis for the ideology of Russia of the 21st century is national-patriotic socialism. But not of the Soviet type. Rather, a synthesized socialism beginning from the times of Plato and Aristotle.

[Correspondent] When the Treaty on Civic Accord was signed, Yeltsin rescinded the "blacklist" which contained the names of those who were "insubordinate" to Edict No 1400 (on disbanding the Supreme Soviet). These deputies, including you, were not to receive their benefits. But now these benefits have been returned. And every deputy, having forgotten about the recent enmity with Yeltsin, quietly received 2 million rubles (R)...

[Baburin] I still cannot overcome the feeling of disgust and sign the paper on receipt of these benefits. My friends received these millions and credited them to

charitable causes. Perhaps I am old fashioned, but I cannot take this money. I simply do not want to dirty myself with it. Moreover, according to Edict No 1435, Yeltsin's supporters have promised employment in Moscow, retention of my personal automobile, allocation of a state dacha [summer house] and many other benefits.

[Correspondent] I might add that you still live on Rublevskiy Street as before, in the house where you lived when you were a deputy of the Supreme Soviet?

[Baburin] When they brought us the notice of eviction in 3 day's time, I told my wife that we would never voluntarily leave this house. If they come to evict us, here are the addresses of our friends who can temporarily take us in. But to shout that Baburin's family has fled Moscow—that is a gift the regime will not get. Neither Yeltsin nor Luzhkov evicted us then.

#### **Affidavits on Plans To Attack White House**

944F1168 Moscow MOSKOVSKIYE NOVOSTI  
in Russian No 29, 17-24 Jul 94 p 8

[Article by : "Why the 'Thunder' Did Not Rumble—The Generals Did Not Like the Undertaking"]

[Text] *The "GKChP [State Committee on the State of Emergency] case" is continuing thanks to the doggedness of the defendant General Varennikov. Should we really count on the fact, however, that the judicial sessions will shed any light on the chief question—what in fact happened, and how? The testimony of these two generals gives no answer to it either. These documents, on the other hand, not polished by time or the hand of the editor (MN has corrected only obvious errors and misprints), vividly demonstrate something else: how decisions are made in the structures of power on which the fate of the country depends.*

#### **Boris Gromov (in August of 1991 the First Deputy Minister of Internal Affairs of the USSR)**

(from the "Record of Additional Questioning" of 25 September 1991)

(...) Over the time I was vacationing at the Zhemchuzhina sanatorium (in the Crimea—MN) in August of this year, I did not receive any information (...) from anyone (...) that the imposition of a state of emergency in the country or individual regions of it was being prepared (...).

(...) At approximately seven o'clock on August 19 I learned of the creation of the GKChP and the president's illness from television reports. Pugo called me at about eight o'clock, however, and reported that a state of emergency had been declared in the country and that I had to get to the ministry immediately.

(...) I had no discussions with anyone relative to the impending events, with the exception of my wife, before the plane landed. I said to my wife that the reports of the

president's illness were dubious, that something strange and not foreseen by the constitution, an administrative body—the GKChP—had been created. I was talking on the plane with Lushchikov (USSR Minister of Justice—*MN*) about this same thing (...). Lushchikov declared unequivocally that as a legal scholar he could not fail to consider the GKChP an unconstitutional body (...). I did not try (...) to learn his opinion about how, from the standpoint of the law, the USSR MVD [Ministry of Internal Affairs] should act; whether it should fulfill (...) the orders that could come from, and had already come from, the GKChP (...). Because the minister himself usually contacted him and Golik (chairman of the committee on issues of law and order and the fight against crime in the armed forces of the USSR/*MN*) on legal issues.

At roughly ten o'clock I arrived at the USSR MVD (...). The minister was not there. I went by to see Shilov (First Deputy Minister of Internal Affairs of the USSR—*MN*). He told me that he and Dubinyak (chief of staff of the Internal Service Troops of the USSR MVD—*MN*) had been sent by the minister to Grushko at the KGB, where Grushko had given the MVD internal service troops the task of protecting facilities in Moscow, but they were able to "get out" of performing that task. Shilov and I also discussed the whole situation. We came to the unequivocal opinion that both the creation of the GKChP and the imposition of the state of emergency were illegal (...).

As for the meeting with Achalov (Deputy Minister of Defense of the USSR—*MN*). (...) The essence of that meeting was to determine the tasks of the subunits of the USSR MVD, USSR KGB and USSR MO [Ministry of Defense] in seizing the White House, including Yeltsin (...). I was the only one at that meeting from the USSR MVD (...). Yazov spoke briefly. He spoke very energetically and confidently. He said that the White House had to be taken, and that he was sure that those assembled would be able to handle the task (...).

As for the specific tasks, their general outlines were as follows. The USSR MVD would participate with the manpower of the internal service troops, numbering some 3,000 men. We were to take positions along Krasnopresenskoye Embankment in front of the White House, as well as along the street running to the left in front of the White House. We were not to permit any of the newly arriving public to get to the White House. And in the event there was an outflow of people from the White House, we were to send them along the embankment in the direction of the international tourist center, keeping people from being crushed or killed therein. The OMON forces, displacing the protectors of the White House standing in front of its entrance, were to make passages for the Karpukhin (commander of the Alpha group—*MN*) group to the doors (...). The task of the group was to penetrate the building, where necessary blowing the doors with volleys from grenade launchers,

and seize the government of Russia and Yeltsin. If the defenders employed firearms, the Karpukhin group was to "shoot to kill."

Only the VDV [airborne assault troops] troops were to be in action from the Soviet Army. Their representatives were General Grachev and his deputy Lebed. They were given the task of cordoning off the White House (...). If the Karpukhin group did not penetrate into the building on the entrance side, the assault troops were to provide a breakthrough in the rear of the building. Grachev declared that the assault troops at his disposal in Moscow were insufficient to accomplish that task, and Achalov right there, during the meeting, ordered that another two VDV regiments be allotted to Grachev for this purpose (...). I proposed that the Dzerzhinskiy division enter the city only on wheeled vehicles. I based that on the fact that the population of Moscow was not accustomed to armored vehicles, and their appearance would be an "agitating factor." No decision on this question was made (...). I also suggested that the OMSDON take part in the operation without weapons. Ageyev (deputy chairman of the USSR KGB—*MN*) did not agree with that. My motivation was that if the division had firearms, there could have been a sea of blood, as well as the fact that the weapons could fall into the wrong hands (...). When the meeting concluded and everyone stood up, Grachev said that all of this would lead to great bloodshed, addressing Ageyev and Achalov. But they were both silent, they answered nothing to this. And no one reacted at all to these words of Grachev (...).

Ageyev reported that the name of the operation was Operation Thunder (...). Not one of its participants refused to perform the task assigned to him at this meeting. When I... understood that the discussion concerned extreme measures, I decided to stay at the meeting until the end so as to obtain complete information on the operation being prepared, and to report that information to the leadership of Russia through Aushev and Odzhiev (as written, evidently having in mind Khadzhiyev—*MN*) (...). I also decided for myself that our troops should not participate in the operation. I decided to coordinate my opinion with Grachev. I knew Grachev very well from Afghanistan, and I thus was not afraid of a frank discussion with him (...). I told him that the internal service troops would not enter Moscow. He in turn told me that that the two VDV regiments that were coming at the order of Achalov would also not enter Moscow (...).

I (...) called Dubinyak and gave him the task of putting three thousand troops at the indicated positions by the start of the operation (...). And I further told him that despite the fact that I had already given him the task and the time for the start of the operation had been named, he should in any case set about the execution of this task only at my own additional command, and before that the troops should remain at their permanent stations in Reutovo (...).

At five o'clock I telephoned Aushev and told him that a concentration of troops at the White House had been designated for three in the morning, there would be a special KGB detachment there to penetrate the inside of the building. I proposed that he transmit this information to the White House, as well as... raise the "Afghans" [veterans] so that they could assemble at the White House for its defense (...). Grachev, however, called me at about eleven o'clock on August 20. We exchanged information regarding the fact that people kept arriving around the White House, and we both again confirmed our intentions not to have the troops enter Moscow (...).

I can add with regard to the conversation at the meeting at Kryuchkov's (at about three in the morning of August 21—MN) that Achalov was the first at it to say that the projected operation could not be carried out (...). He said that he had driven around to study the situation around the White House, and that there were a great many people there—about 50 or 60 thousand—and storming the White House under such conditions was completely impossible. After a stormy discussion caused principally by the stubbornness of Balkanov, who insisted on storming it, Kryuchkov agreed not to carry out Operation Thunder (...).

**Pavel Grachev (in August of 1991, Deputy Minister of Defense of the USSR and commander of airborne assault forces)**

(from the "Record of Additional Questioning" of 25 September 1991)

(...) On 5 August 1991 I was called in by USSR Minister of Defense D.T. Yazov and was told that comrade Kryuchkov wanted to meet me... I went to Kryuchkov, who acquainted me with his colleagues Grushko, Zhizhin and Yegorov (...). Kryuchkov (...) had a high regard for the VDV for the fact that they help the country at "hot spots" (...); he talked about the grave situation in the country (...); he expressed for the first time the idea that steps could be taken of an extraordinary nature (...). He then said that these people (the KGB colleagues—MN) were analyzing the situation in the country and devising recommendations on the possibility of a "state of emergency," and I should help them with that. After that I went to Grushko, who had proposed that we work at a KGB dacha. I reported on this by telephone to Yazov, and he gave the OK (...). A report of four pages of a general nature (...) was prepared as a result of the discussion. The report indicated that the situation in the country was a difficult one, but controllable. No measures of an extraordinary nature should be taken before the signing of the union treaty. But if the necessity arose, they could possibly be taken only with the consent of the presidents of all of the union republics, including Russia.

(...) At four o'clock in the afternoon of August 16, Achalov proposed to me, at the direction of Yazov, that I go to that same KGB dacha (...). The KGB officers said that they were preparing a rough draft of extraordinary

measures to stabilize the situation in the country (...). Everything was put forward is general outline again (...).

(...) At twelve or one o'clock on August 18 I was called by Yazov (...). He was talking about the fact that a government delegation was being prepared for a trip to see M.S. Gorbachev, that the government had concluded that it was impossible to live this way any longer and a state of emergency would be proposed to him to instill order in the country (...). At seven o'clock on August 18 Yazov called me and reported that the delegation was in Foros, was negotiating with the president of the USSR, and evidently they were going to be successful and M.S. Gorbachev would give the OK. He further told me that M.S. Gorbachev was ill and, evidently, that Yanayev would assume his duties. A state of emergency was imposed on August 19, and therefore (...) I was to bring the VDV troops to combat readiness and subsequently act only at his command.

Yazov called me at four in the morning of August 19 and announced that all of the questions had been resolved in Foros, and the state of emergency was being imposed (...). He said, "Tell Achalov how you will act" (...). I understood that Yazov was taking all command onto himself and was himself personally leading the troops (...). Approximately an hour later Achalov called and relayed that the Tula Division of the VDV was to declare full readiness and advance in the direction of Moscow. To the question of what had provoked this, Achalov said, "Yazov has ordered it. I myself do not know anything." I fulfilled this command (...). By this time I had called General Lebed from leave and ordered him to monitor the movement of the division.

B.N. Yeltsin called me after six in the morning of August 19 and asked what was going on. I explained that a state of emergency had been imposed, troops were going from Tula toward Moscow to Tushino, and would act thereafter at the directive of the Ministry of Defense of the USSR. B.N. Yeltsin answered to this that this was a dubious enterprise, a genuine provocation. I asked him what I should do. He answered that I should assign VDV personnel to protect the White House (...). At eight o'clock in the morning Yeltsin's assistant Portnov came to me, and I agreed with him on interaction.

About eight o'clock in the morning of that same day, I was called by Achalov, who relayed the order to take the State Bank, State Reservoir, radio and television under guard. I told Achalov that I would take under guard the White House and the Moscow Soviet. He agreed with that and said that I should act so, but bring up people carefully and not crush anybody (...). After this I gave the task to Lebed to assign a VDV battalion each to guard the indicated facilities, and the battalion to guard the White House I ordered him to take out personally, which I reported to the President of Russia. (...) Lebed brought one battalion to the White House, where the tanks were backed right up to the door, thereby ensuring its protection (...).



August 20 began with Yazov asking me why Lebed had sold out, why he was with Yeltsin. I told him the way it was (...). Yazov ordered Lebed to be called to him, and me to go to a meeting in Achalov's office (...). There were many people there, many of them in civilian clothes, I guessed them to be KGB people. Achalov sat at his desk, with Ageyev and Varennikov to his left. Even though the meeting was being held at Achalov's, the impression was created that it was being run by Ageyev, who spoke more than the others, especially against Yeltsin. He was saying that the government of Russia was behaving other than it ought to, that negotiations were underway with it, and if they did not alter their policies, force would have to be employed (...). True, he said he there should be no bloodshed. Ageyev set forth a plan according to which the White House was to be seized: we would surround it, the VDV would penetrate the building, and the Alpha group of the KGB would go in through the passage created and neutralize the people in the building (...).

I personally did not care for such an undertaking, and I felt that this was a dubious idea. But I kept my opinion to myself (...) out of fear that the initiators from the KGB would not understand, would not support it, but would rather go off and could bring matters to a close with the participation of other individuals. My thinking was aimed at ascertaining the plan for seizure to the end and taking the appropriate steps to prevent it, proceeding from the agreement with B.N. Yeltsin (...). I told those present that they did not know the situation in the area of the White House, that General Lebed, who had been there and could report the situation, was in the ante-room. Achalov supported me, and they invited Lebed into the office; he reported that there were many thousands of people around the building, that barricades had been erected, and there could be no talk of any storming (...). Ageyev and Varennikov displayed dissatisfaction with the Lebed's report, saying that he was trying to intimidate us. Achalov did not display any emotion.

(...) I informed Skokov—an advisor to Yeltsin—of the plan to seize the White House, and told him that our troops would not attack them (...). The troops, according to plan, were to move toward the White House at midnight, and the assault was planned for three in the morning of August 21 (...). I assembled all of my deputies in my office and reported that the VDV would not participate in the assault. At approximately twelve thirty Gromov called me and said that the MVD troops were not advancing and would not be going anywhere. Karpukhin reached me by communications at one o'clock (...) and said that he was standing under the bridge in the area of the White House, there was a mass of people in front, that his group would not participate in any assault (...). At two thirty Achalov called me and asked how matters stood, and what decision I had made. I answered that there was a mass of people on the square, of which he could convince himself as well, and that I had decided to withdraw the troops from Moscow. Achalov, as I understood it, went out to the city himself and became persuaded of the senselessness of the undertaking to

seize the government building of Russia. He called me again in 20—30 minutes, and agreed with me that the troops had to be withdrawn and that he would report that to Yazov. Yazov decided to go to the Kremlin after Achalov's call.

I feel that only the determined and coordinated actions and decisions of the leaders of the MVD troops, and Gromov in particular, the VDV command—myself and my deputies—and Achalov, and the commander of the Alpha group, Karpukhin, prevented the implementation of the plan to seize the building and government of the RSFSR, and made it possible to avoid bloodshed and other grave consequences.

#### Aksyuchits on Rutskoy, Solzhenitsyn

944F1096A Vladimir ZAVTRA in Russian No 27,  
Jul 94 p 5

[Report by Sergey Sokolkin on interview with Viktor Aksyuchits, leader of the Christian Rebirth Party and philosopher, by Vladimir Bondarenko; date and place not given: "Culture Will Return to Russia"]

[Text] [Bondarenko] The opposition leaders are in a state of crisis today, although the October events, the tanks, and the bloodshed shocked all of Russia and demolished the social and ideological base of the Yeltsin regime. How would you explain this?

[Aksyuchits] I have not dared to hope that the social base of Yeltsinism is dwindling. It may be dwindling in some places, but it is growing in others. After all, the very purpose of Gaydar's reforms is to lay the foundation for an undemocratic, criminal regime. A special effort was made to create the necessary conditions in all social strata to encourage people to become criminals and automatically support this regime. It was as if they had been sentenced to this. If the regime should fall, they can expect justice, but the robbery of Russia has continued, and this is why the growth of the criminal segment of society has also continued. Enlightenment came only to the idealistic members of society who had believed in Yeltsin.

I went into politics after I had been studying Russian history, political science, and philosophy for many years. I have tried to apply my studies and my experience to politics. The state of crisis among the opposition leaders is not a matter of fear, but a reflection of the state of the society during a period of global transition from one system to another. I have concluded that the catastrophic dismantling of the communist regime was an objective and natural process. The state of the opposition is also objective. All of us (on both sides of the barricades) came from the past, from the totalitarian regime, and we are still prone to recurring errors and confusion.

[Bondarenko] You said there are certain social strata on which Yeltsin can rely, but I think that everyone—from the army to the Mafia—is dissatisfied with the present situation in Russia. Even thieves can be killed with

impunity now. There is a total lack of constraint. We once believed in the possibility of peaceful reform, but last October showed everyone the truth. Now everything can be settled "by bloodshed."

You joined A. Rutskoy's "Derzhava" movement. How would you rate his chances of victory? Is a peaceful rise to power possible for him?

[Aksyuchits] A total lack of constraint is the norm in a criminal society, and this kind of life is completely satisfactory to the criminals in our society. They do not have much need for a stable government. This regime is doing enough to protect their selfish interests. Their view of the world has nothing to do with the rule of law; they live by the rules of the wolf pack.

As far as the opposition is concerned, it consists of completely different groups of people (in the economic, political, and religious sense). The opposition probably can be divided into two camps: the leftwing opposition, whose members came from the CPSU and earlier structures and have no wish to impersonate "democrats," and the rightwing opposition—the segment of society that opposed the communist regime to some extent (I was one of them). The left flank is naturally organized—Zyuganov's party and Lapshin's party. Their organization is part of the CPSU heritage, but their constituency is not growing. In fact, it is probably shrinking. The communist ideal, as it was implemented here, was a complete fiasco. The right flank of the opposition is fragmented and uncoordinated. It has been deliberately divided. I know this from my own experience in the election campaign. Rightist-centrist forces are apparently more dangerous to the Yeltsin regime. That is why we were driven out of every building within a few days, were denied access to the state-controlled news media, were not given a chance to raise campaign funds, and so forth. Our activists were arrested, and their campaign flyers were confiscated.... The right flank is less organized, but, I repeat, it has better prospects. Incidentally, Zhirinovskiy has also been feeding parasitically on the same national and non-communist ideal.

[Bondarenko] In your opinion, was it worthwhile to establish dozens of rightwing national parties with no wish to transcend their own ambitions and rally round a single national leader? Who is to blame for this—the leader who does not exist, or the people who do not see him?

[Aksyuchits] Both. The main thing now is to organize the rightist-centrist flank and to form a united front with the left flank—something like the "Accord for Russia's Sake" with national-state views. After this, of course, it will be necessary to choose a leader. Policy in Russia has always been personified, but could I, for example, become the leader of the rightwing national flank? Of course not! Could Astafyev? No. Each of us has to give up his own ambitions and acquire a broader outlook. Who is the most deserving? Who is the most productive?

I think Rutskoy is the only possible choice. I respect Vlasov, but I think even he could not do this job. It calls for more than just the author of an article; it calls for a government leader. That is why our "Christian movement" is taking an active part in the creation of the "Derzhava" social-patriotic movement, which certainly must be headed by Rutskoy.

I hope we can find a common language with the other leaders. If we cannot reach an agreement, Russia will simply die.

[Bondarenko] How can our Russian intelligentsia be encouraged to support the national ideal? Many of its members are not embarrassed to have their works published in some kind of NOVYY VZGLYAD next to articles glorifying prostitution, necrophilia, sadism, cannibalism, and so forth. As soon as they are published in DEN or ZAVTRA, however, ...they are immediately branded as "fascists," "nationalists," and "reactionaries." Coexistence with a prostitute, a murderer, or a pervert is normal for the Russian intellectual, but coexistence with even the moderate patriotic opposition puts him beyond the pale. How can this convention be broken? Why is the intelligentsia always in opposition to the state?

[Aksyuchits] This is a congenital disease. Its sources and its carriers have to be identified. The Russian intelligentsia was originally formed as an intellectual stratum with a strictly cultural function on the extra-national level. It began to take shape at the end of the 18th century among the gentry, and the gentry was an artificial creation of Peter the Great's reforms, designed to foster the Western way of life and thinking in Russia. The gentry spoke Dutch at first, then English and German, and then French. The children of the gentry were taught to speak foreign languages before they learned their own. There was the "illusion of the Russian West" and an emphasis on Western education. What they took from the Western culture, however, was not the roots, not the main achievements, but just the tops—some peripheral phenomena and unhealthy tenets. The members of the intellectual gentry were originally extra-national, and often simply anti-national. This was the reason for their tradition of opposition to the government. The features of denationalization and desocialization grew stronger with each new generation of the intelligentsia. People from other strata, even the clergy, began to join it. All of these people of different classes inherited the mistakes of their fathers and compounded them.

[Bondarenko] But the Soviet intelligentsia went even further in this anti-national direction. What is the antidote? Why has the church been unable to take its rightful place in the life of the intelligentsia and the whole society?

[Aksyuchits] Recurrences of this anti-national disease of the intelligentsia can also be seen in its practice of religion. There is a common fascination with Catholicism and Protestantism, and many of those who call



themselves Orthodox are inclined to view Orthodoxy as some kind of ecumenical abstraction. This prodigal son has never returned to his father's house, even when the intelligentsia has climbed the steps of the church. That is why so many highly talented individuals subscribe to this line of reasoning: "What do Yeltsin, Gaydar, or the influence of the West have to do with it? It is simply that we Russians are incapable of doing productive work, incapable of reform. That is the reason for all of the evils here. The West is helping us and saving our culture. We are being invited to the West to present lectures, and this is our only reason for living...."

This is being said by intelligent people. I am horrified when I see that the main question never does occur to them: "Then who is destroying us? And for whose sake is this being done?"

The intellectual goes to Paris or London to teach. This means that our students have no chance to hear his wonderful lectures. What they pay him there is a beggar's pittance by their own standards. Our culture has been destroyed, and the remnants of our cultural potential are being bought up by the West for a song.

[Bondarenko] As a Russian intellectual, do you see any chance of the restoration of our culture and the fundamental schools of ballet and choreography, or has mediocrity taken over?

[Aksyuchits] That is a frightening question. Our economic potential can be restored—with our raw materials, cheap manpower, and so forth. Our intellectual potential, our educational potential—i.e., something that took centuries to build—is virtually unrestorable in its entirety, however. This is the spiritual basis of the national-state organism and consists of extremely fine matter. The destruction of this potential would mean the death of Russia.

[Bondarenko] Does this not suggest that people like you should be the leaders of a cultural movement instead of a political one? Your articles and books might be more important than mere politics.

[Aksyuchits] The intelligentsia, like the prodigal son, must return to its national roots, to Orthodoxy, or it will cease to be a separate estate. The tragedy of Russia in the 20th century is the spiritual and moral illness of the society and its rejection of God and religion. The Russian culture will be reborn when our historical memory is recovered, when we remember our history and who we were, when our national identity is restored, and this will take a tremendous amount of educational work.

[Bondarenko] Luckily, many of our remarkable minds—V. Belov and V. Rasputin, for example—have lost their fascination with politics and are returning to their original calling: the great literature of Russia. It will be much easier to find new politicians than to find people who are capable of reviving our historical memory. For this

reason, please tell us what you are doing now, and what kind of books you are writing.

[Aksyuchits] I agree with you in principle, but when a house is burning, everyone drops what he is doing and runs to save it. That is why I went into politics.

Today I delivered a book to the printer—"World Rulers of the Twilight of This Century." In it, I define and analyze the causes of the tragedy of Russia in the 20th century. I used some of Gogol's thoughts as the epigraph: "The devil is already walking among us without a mask. The spirit of arrogance has ceased to take different forms and frighten suspicious people. It has appeared in its own true form.... Why have countless so-called proprieties become stronger than all of the fundamental precepts of life? What is the meaning of the strange powers that have taken shape outside the law, the outside and extraneous influences? Why is the world being ruled by seamstresses, tailors, and tradesmen of all types while the Lord's anointed are ignored? Sinister people whom no one knows, people with no opinions or strong convictions are controlling the thoughts and opinions of intelligent people, and the newspaper tract, which is recognized by everyone as something false, is becoming an insensitive lawmaker for a disrespectful public. What is the meaning of all of these unlawful laws, which seem to be summoning the evil spirit from the depths below, apparently in full view of everyone. The world sees all of this but remains immobile, as if it is under a magic spell. What is this terrible joke on mankind?!"

In Gogol's lifetime, there were none of these unlawful laws, authority was completely legitimate, there were no seamstresses heading the government, and so forth, but Gogol prophesied this. He could see the tendencies even then. He saw the invasion of Russia by evil spirits and saw the implications of this, and what he was describing was not the vices of his own time, but of ours.

[Bondarenko] It is difficult to categorize writers—from Gogol to Dostoyevskiy, and from Dostoyevskiy to Bulgakov—as typical intellectuals. Many of them have even had a skeptical, if not negative, attitude toward this term. The great works of our VEKHI philosophers are an unparalleled condemnation of the nihilistic intelligentsia.

[Aksyuchits] Even Pushkin spoke of the conflict between the poet and the throng—i.e., between creative genius and the educated public. All of our geniuses had to live with this conflict, and it essentially meant that they saw and exposed the spirits of evil and their expansion in Russia and warned us, the people living today, of the implications of this. Today we have seen the results of this expansion. This is, incidentally, the subject of my book.

I am also preparing my main work, "Under the Protection of the Cross," for publication. I have been writing it for around 20 years. This is a theological and philosophical analysis of the eternal problems of humankind.

Later, in the more distant future, I will publish a book on the study of Russian history.

There are two mutually exclusive explanations for the disaster of 1917. One extreme, represented by Berdyayev and Yanov, is the view that Russia's destiny was predetermined and that it was condemned to slavery and totalitarianism, in a direct progression from Ivan the Terrible to Peter the Great to Stalin. The other extreme, the opposite view, is that Russia is a healthy and strong national organism which fell prey to the expansion of communist mercenaries, and that we ourselves are not to blame. The truth, it seems to me, lies somewhere in between. The ideologies that gave rise to the ills of Russian culture and the Russian society certainly did come from the West. That is an obvious fact, but the fact that these ideologies produced such disastrous results in Russia suggests that there were local causes as well. It is these causes that I have tried to reveal.

When Solzhenitsyn was answering this question, he went all the way back to the schism of the 17th century. I had to go back even further—to the end of the 15th century, to the seemingly private squabble between two groups of monks, the followers of Iosif Volotskiy (the Josephians) and the disciples of Nil Sorskiy (the Non-Possessors).

[Bondarenko] Speaking of Solzhenitsyn, do you see his return as a triumph for our spiritual forces, or will this be just another nuisance to the same intelligentsia that has systematically destroyed our culture? What can Solzhenitsyn mean to Russia?

[Aksyuchits] I am one of the people whose civic and ethical views were formed largely under the influence of Aleksandr Isayevich. I like him very much as a novelist and journalist. Unfortunately, everything that he has recently said abroad about the events here testifies that he does not know us or understand us. All types of unscrupulous individuals have taken advantage of this. I think that when he returns and has to immerse himself in this political meat-grinder, he will see and understand everything. He will make his choice, and his words will serve the cause of Russia's rebirth.

[Bondarenko] I also believe this, and I think that Aleksandr Isayevich will be another link in the Pushkin-Gogol-Dostoyevskiy-Bulgakov chain and that his stance will be that of the national Orthodox renaissance. Then he could become one of the central figures in the rightwing national movement, although I do not think he has to engage in common politics.

The rebirth of Russia will begin at the crossroads where our cultural and Orthodox religious leaders start leading the society.

[Aksyuchits] That is absolutely right! And it was so gratifying to hear that, in contrast to Yeltsin and Luzhkov, who posed ostentatiously for the television cameras holding candles, Rutskoy went to the Troitse-Sergiyev Monastery after his release from Lefortovo to confess his sins to the pastor of the order and ask for his blessing.

## LDPR Expands Activities in Provinces

944F1096B Moscow PRAVDA ZHIRINOVSKOGO  
in Russian No 13, Jul 94 p 4

[Report on LDPR activities in May-July 1994]

[Text] **Pavlovskiy Posad, Moscow Oblast. 24 May**—The Pavlovo-Posadskiy Rayon Organization of the LDPR [Liberal Democratic Party of Russia] was registered by the administration of Pavlovo-Posadskiy Rayon. Sergey Yuryevich Rummyantsev will be the coordinator.

**Belgorod. 6 June**—The Justice Directorate of the Belgorod Oblast Administration registered the Belgorod Oblast Organization of the LDPR. Nikolay Alekseyevich Kotsarev will be the coordinator.

**Roslavl (Smolensk Oblast)**—The Roslavlskiy Rayon Organization of the LDPR was established at a constituent conference. Andrey Eduardovich Repin will be the coordinator.

**Tver. 24 June**—The latest issue of LIBERAL V TVERI, the quarterly newspaper of the Tver LDPR Organization, was published.

**Vladimir. 29 June**—Father Dmitriy, the diocesan elder, blessed the headquarters of the Vladimir Oblast LDPR Organization and gave the noble cause of reviving mighty Rus the benediction of the church.

**Lipetsk**—A parliamentary delegation from the LDPR faction visited the city in June. The visit included meetings with voters, where Vladimir Zhirinovskiy set forth the views of the LDPR, an appearance on oblast television, and a press conference. More than 10,000 residents of Lipetsk gathered in the city square to meet V. Zhirinovskiy.

**26-28 June**—A group of deputies from the LDPR faction, headed by LDPR Chairman Vladimir Zhirinovskiy, visited Nizhniy Novgorod Oblast. Despite official resistance, rally-conferences were attended by thousands of voters from Nizhniy Novgorod and the chemists' city of Dzerzhinsk. The deputies laid flowers in front of the monument to Kozma Minin and the memorial to the fallen of the Great Patriotic War—by the Eternal Flame. The oblast conference of the Nizhniy Novgorod LDPR Organization was open to the public. The "Zhirinovskiy" Club was opened. A meeting with voters in the federal nuclear center of Arzamas-16 had to be cancelled when Minister of Atomic Energy V. Mikhaylov revoked the deputies' permit to enter the restricted city of Arzamas-16, while simultaneously allowing an American delegation access to the city.

**30 June**—Deputies from the LDPR had a friendly meeting with rural voters in Maloyaroslavetskiy Rayon in Kaluga Oblast. On the way back, as the row of cars drove down the Kiev (four-lane) highway, escorted by vehicles of the State Motor Vehicle Inspectorate, another vehicle veered in from the left and swerved into the column. One of the inspectors bore the brunt of the

impact and thereby minimized the possible effects of the accident. The authorities will try to punish him(?).

**Moscow, 2-4 July**—A training session and meeting of the coordinators of LDPR oblast organizations in Russia's central oblasts was held in Moscow in LDPR headquarters. The meeting was attended by LDPR Chairman V. Zhirinovskiy, LDPR Deputy Chairman and State Duma Deputy S. Zhebrovskiy, State Duma deputies from the LDPR Ye. Mikhaylov, Academician V. Lisichkin, and Lt.-Gen. V. Ustinov, and members of the central party staff. There was an exchange of views on methods of improving the organization of the work of regional divisions of the LDPR. The coordinators attended one of LDPR Chairman V. Zhirinovskiy's traditional rally-conferences with the voters near the Sokolniki subway station.

### **Barkashov Denies Connection to Nazi Group**

944F1096C Vladimir ZAVTRA in Russian No 27, Jul 94 p 1

[Excerpts from statement by Aleksandr Robertovich Shtilmark, leader of "Black Hundred"]

[Text] A festival of the arts organized by CHERNAYA SOTNYA was held in the "Barricades" movie theater on 22 June. Some punks pretending to be members of the Russian National Unity movement somehow got tickets to the event and started a surreptitious trade in overtly provocative literature and cassettes of "Kill the Jew" and began to insult the audience and the organizers of the event. Then the riff-raff took the liberty of drinking beer and swearing during an address by a priest and the playing of the march "Arise, Great Nation!" The organizers lost their patience and the punks were thrown out of the theater by members of the Black Hundred and soldiers from the Officers' Union. "Offended" by this treatment, the vandals broke the windows of the theater....

Colonel Markov immediately contacted the RNU headquarters and learned that the group was known to the movement and had no connection with Barkashov.

The Officers' Union and the editors of CHERNAYA SOTNYA are investigating the incident. At this time we know only one of the provocateurs by name: a certain Denis Bulbov, who has joined at least three different patriotic organizations in the last six months. We hope to learn more about the other organizers of the provocation from this individual.

The democratic press has already started howling: "Members of the Black Hundred had a fight with Barkashov's followers." For this reason, I have to make this announcement: There never was, there is not now, and, I hope, there never will be ANY reason whatsoever for hostility between the Black Hundred and the RNU. We have certain theoretical differences of opinion with the RNU about the future of Russia, but these are only

on the level of theory. When one of Barkashov's followers was injured and needed blood, members of the Black Hundred donated their own. Orthodox Russians are members of the RNU and of the Black Hundred. We have no time for stupid arguments and fights.

### **'Werewolves' Seen as Provocateurs**

944F1096D Vladimir ZAVTRA in Russian No 27, Jul 94 p 6

[Report of "Den" Security Service: "Werewolf Legion"]

[Text] According to groups close to the RNU [Russian National Unity Movement], the arrested leader of the "Werewolf Legion," Sergey Nikolayevich Yakhontov, is also known as Ingmar Skaurlaete, a 28-year-old Estonian who graduated from the Law School of Moscow State University, worked for two years as an investigator, served in the Estonian Embassy in Ukraine (Kiev) and then in the Estonian Embassy in Russia (Moscow), and worked with the special services of Estonia, the Vatican, and Germany. He fought in Croatia against the Serbs. He used RNU symbols in the commission of several acts of provocation for the purpose of discrediting the movement.

During the "Messianic Jewish Festival" in the Olympic Sports Stadium, a group of members of the so-called "Werewolf Legion" started a drunken brawl while wearing RNU badges to imply this movement's aggressive presence at the event. Later, "Werewolves" Starchikov and Golomyzin planned to set fire to the building where the festival was being held with a homemade incendiary device Starchikov had assembled. This was supposed to serve as evidence of the RNU's terrorist activities.

On 22 June a group of "Werewolves" wearing RNU badges in the "Barricades" movie theater started a fight with the organizers of the event sponsored by CHERNAYA SOTNYA, breaking windows and causing considerable property damage. The purpose was the same as in the first incident.

Several other such actions were planned.

The leader of the "Werewolf Legion" had spoken to friends about a planned attack on RNU leader A.P. Barkashov. The reason was that the RNU had won considerable prestige among Ukrainian and Estonian nationalists and had persuaded many of them to espouse the RNU ideology. This presupposes the Estonian and Ukrainian nationalists' support of a strategic alliance with Russia (in the future) for the joint defense of national interests against Western expansionism. We know that the foreign special services and the Vatican were initially spreading an ideology of aggression against Russians and Russia in these nationalist movements through their agents.

The leader of the so-called "Werewolves" has been in contact with some famous members of the Democratic movement, whose names will be published in time.

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Journalist A. Chelnokov from IZVESTIYA was personally acquainted with the leader of the "Werewolves" and once covered the organization's activities.

The RNU had received information through confidential sources about the activities of the so-called "Werewolves" and was making plans to stop them, but the Federal Counterintelligence Service did this first.

#### **LDPR Connection With Shady Business Viewed**

##### **Zhirinovskiy Backs Dutch Firm in Dispute With Government**

944F1136A Moscow SEGODNYA in Russian 1 Jun 94  
p 1

[Article by Mikhail Leontyev: "Zhirinovskiy Repays Debts to GMM; Pendulum of National Accord Gathers Speed"]

[Text] SEGODNYA has already written about the fact that among all the companies using noisy advertisements to collect money from the population, GMM had distinguished itself with a remarkable ability to leave dirty tracks and—obviously, by virtue of the masochism of its proprietors—create unpleasantness for itself with the authorities and the public. Since today is supposed to be the date of the court session dealing with GMM's suit against the newspaper SEGODNYA "to defend the honor, dignity and business reputation" of that remarkable "Dutch" company, GMM and its political partners have thoroughly prepared themselves. The letter published below from the "father of the nation," Mr Zhirinovskiy, to Premier Chernomyrdin (vkh. [expansion unknown] 2-28766, dated 14 May 1994) was, as the order attached to it indicates, readdressed to the Ministry of Finance, where, it appears, it will evoke undisguised rapture. The spelling of the original has been preserved.

To the Chairman of the Russian Federation Government  
Mr V. S. Chernomyrdin

Dear Viktor Stepanovich:

*I am appealing to you with a request to assist in the resolution of what, in my view, is an important political issue. I am referring to the situation that has developed recently surrounding the GMM trust company. According to my information, the executive authorities have been taking every measure to shut down that firm. At first under the contrived pretext of the lack of a Ministry of Finance license, press releases were distributed and negative articles were planted in certain newspapers (incidentally, the other day the company won one court trial against one of those newspapers). Then, when it turned out that the company was not engaged in the activities with which it had been charged, it was accused of lacking a RF Central Bank license. The company's executives took every measure to find a compromise: its system of contracts was changed, contracts were concluded with*

*authorized banks, and documents were submitted for obtaining licenses. But without any results: it has no licenses, although all deadlines for a response have long since passed, and the ministry is pretending that it has heard nothing about contracts with banks. New audits by all sorts of commissions occur weekly, and on the basis of a letter from the Ministry of Finance over the signature of Mr Kazmin, Mr Yakovlev, in violation of the Law on the Press, has prohibited showing GMM's ads on television. It is remarkable that television, which is constantly asking for additional financial assistance from the government, is itself refusing millions of dollars.*

*At present we see the complete unwillingness of the executive authorities to enter into any sort of dialogue with the company's executives, who for perfectly natural reasons does not want to abandon a profitable business and have continually submitted requests asking for an explanation of just what they must do in order that the state, in the absence of a law on trusts, have no complaints. Today all the newspapers and television programs are constantly carrying advertisements for a huge number of dubious little companies and foundations that collect money from citizens with impunity and then happily disappear. And at the same time, the largest trust company, which enjoys high prestige in Russia and has thousands of depositors, is being subjected to hounding. For all practical purposes, the company has been placed in conditions in which it is increasingly difficult for it to meet its obligations to its clients. I want to ask, what are we trying to achieve? Demonstrations by people who have lost their money? And here the problem turns into a genuinely political problem and directly affects the prestige of the government and the State Duma.*

*Incidentally, GMM invested more than \$10 million in Russia in the second half of 1993 alone. Can it be that we do not need investments? The company has developed a program for attracting to Russia the funds of Russian companies and citizens that are being kept in foreign banks. We are constantly saying that we must get money back, and we have tried to do through edicts alone. But nothing has availed, yet when a real possibility of bringing back at least a little bit emerges, we ourselves kill that possibility.*

*In connection with the aforementioned, I urgently request that you assist in the immediate resolution of the question of regulating the GMM trust company's relations with the financial agencies, as well as the question of resuming television commercials on state broadcast channels.*

*Respectfully, V. Zhirinovskiy.*

The unfortunate businessmen's difficulties are truly impressive. GMM has even been forced to cease paying interest to its depositors, and Mr Zhirinovskiy's concern is perfectly understandable—especially if it is financially motivated.

Let me recall that, besides its displeasure with the indication of its illegal activities and of the total lack of

any guarantees of its obligations to depositors, GMM's complaints against SEGODNYA had to do with the fact that we supposedly defamed the company by declaring that it was financing Zhirinovskiy's Nazis. Granted, in the meantime not only has the fact of the financing been confirmed by a former Dutch employee of GMM, but the patronized party itself has sincerely expressed indignation over the fact that Mr Nenakhov has refused the honor of being principal sponsor of "Russia's largest party."

One must assume that the aforementioned letter indicates the fact that GMM has finally embarked on the true path. Since GMM is presently experiencing difficult times (the tax police have impounded its accounts), cooperation has entered the most intensive phase: almost daily, at the Red Lion bar in the International Trade Center (where GMM's office is located, for the leasing of which, incidentally, it has not paid for two months now), numerous witnesses have been able to see Deputy Aleksey Mitrofanov, a minister in Zhirinovskiy's shadow cabinet, with a stack of papers discussing Mr Nenakhov's insoluble problems with him.

The mighty surge of social accord that has drawn Mr Zhirinovskiy into it has evidently been achieved through the provision of equally large-scale incentives, and not just nonmaterial incentives. The first fruit of the "accord"—the support that the Zhirinovskiy Party rendered in putting through the budget—is fraught with reciprocity. In this context, the incentive mechanism described by Nikolay Svanidze, as the result of which the faction radically changed its viewpoint in a matter of half an hour, appears quite adequate.

The specific nature of GMM's activities and, thus, of its relations with the Zhirinovskiy Party, lies in the movement from hand to hand of substantial sums of cash, the tracking of which is beyond the ability not only of disinterested observers but of the most interested persons. I shall be so bold as to assert that neither Mr Nenakhov nor Mr Zhirinovskiy has a clue as to what sums GMM has spent to finance its political patrons—the existence of a chain of intermediaries may result in the fact that their assessments of the amount that has reached the recipient may widely differ. So, if something has not reached someone, there is no need to show excessive surprise.

As for the infamous GMM, whose selfless advertising agent Mr Zhirinovskiy is acting as, its executives are distinguished by the very same unfettered proclivity for humbug as their political patron.

### GMM Director Background Viewed

944F1136B Moscow SEGODNYA in Russian 1 Jun 94  
p 2

[Article by Mikhail Leontyev: "GMM: Portrait Against a Backdrop of Bluff: General Director Is First To Abandon Ship"]

[Text] Anton Nenakhov, the head of GMM, born 1967, received some sort of education. It appears impossible to establish just what sort of education Mr Nenakhov received: GMM's official press releases state that in 1992 he "received a diploma" from the Moscow Institute of the National Economy imini Plekhanov, although Anton admits in an interview with the newspaper DELOVAYA MOSKVA SEGODNYA that he never completed higher school, although he studied at the University of Utrecht. Following the example of his political patron, Mr Nenakhov takes pride in his fluency in several languages, the fact of which, according to the testimony of witnesses, is highly debatable.

Anton Nenakhov embarked on the highway of business in 1990, when, replacing several small firms, he registered the Rossiya Commercial and Industrial Enterprises (which in his interview he calls a "foreign trade" enterprise). That was a fortunate time for collecting money from enterprises for the purchase of consumer goods; the young Anton drove around in a leased second-hand ZIL-115, and those who were won over by the director's powerful trappings shelled out their money. At this point the long-awaited "Putsch No. 1" arrived, "economic ties" collapsed, and along with them so did contractual obligations. The Rossiya Commercial and Industrial Enterprise quietly faded away, remaining only on paper and in the capacity of the official lessee of GMM's present office at the International Trade Center. Suits by unfortunate clients who became victims of the political "force majeure" are still languishing in the court of arbitration.

Using funds "rescued" during that "force majeure," in 1992 Anton Nenakhov became the principal owner of the Romanton commercial bank, which also soon "dissolved" without repaying a substantial amount of inter-bank credits (the Romanton's owners remained in debt to the Imperial Bank alone in the amount of about 300 "almost old" rubles). In 1992 Mr Nenakhov took part in establishing the First Federal Bank, where after a little while he became chairman of the council of directors. That bank never did receive a foreign-exchange license, and its affairs were by no means going brilliantly. Therefore, the need arose for various pseudo-foreign firms: in particular, the trade enterprise Salamandra Holding BV, which was founded in the Netherlands and occupied premises in the Inturist Hotel, emerged and then quietly dissolved. At this point Mr Nenakhov heard the word "trust" for the first time, and GMM was conceived. Unfortunately, Mr Nenakhov did not listen to the rest of the words pertaining to the primitive features of Russian legislation (or he was not interested in them), and thus that same GMM was, in effect, not born for Russia.

Anton himself loves to tell that he bought up shares in a certain either Brazilian or British company named GMM, which had 12 years of experience operating in the world financial market, a high reputation, etc. In reality, a company by that name, which was first registered as a juristic person on 9 February 1993 in Amsterdam as a

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company in "Group Three" (with personnel numbering from two to four persons) with a meager authorized capital of 42,000 guildens, has nothing whatsoever to do with its namesake. Hence the quotation from Mr Nenakhov's interview to the effect that "our company earned very large profits during the economic boom in Chile" is not maniacal raving but ordinary promotional humbug. What is interesting is something else: that is the only capital—just over \$20,000—the stands behind GMM Trust Financial Services BV's liability to its clients. At the same time, according to rough estimates, the amount collected from its clients with promises of high interest comes to substantially more than \$100 million.

Moreover, in Russia GMM operates on the basis of an authorization for the opening of the office of a foreign company that was issued to by the Chamber of Commerce and Industry, which does not give it the right to engage in any economic activity. Therefore, disputes over whether the services GMM engages in with the Central Bank are "banking" or "trust" services in nature are utterly meaningless. The period of authorization, incidentally, expired this 19 March, and there is no indication that it has been extended. In that case, there is virtually nothing to back up GMM's liability to its clients. Or they can appeal to the World Court in the Hague.

GMM's commercial activities themselves, which have chiefly affected the increase in Mr Nenakhov's personal consumption, are extremely interesting. Mr Nenakhov himself cites transactions involving real estate, for example, as among GMM's most profitable transactions. The only real transaction involving real estate that the head of GMM has carried out is to purchase a parcel of land in the suburban Moscow village of Perkhushkovo to build himself a dacha, for the architectural design of which Mr Nenakhov paid \$70,000. Transactions involving gold are also a subject of Mr Nenakhov's public pride: the only such transactions were the acquisition of a Rollex watch set with diamonds for \$140,000, as its owner claims, and a gold ring bearing the GMM emblem.

Specialists are expressing doubts as to GMM's ability to push the entire sum of money it has gathered through "short-term" loans in such a way as to be able to pay back its clients even the minimum promised interest. The term of the largest, one-year, credits runs out by September, and there are no circumstances that allow one to hope that GMM will be able to pay them back. However, acquaintance with Mr Nenakhov's career allow one to assume that he is guided by the principle that is popular today: "You don't take money in order to give it back."

As a rule, the contracts GMM has concluded with its clients have not been signed by persons bearing financial liability—neither by Mr Nenakhov himself nor by the general director Mr Liozner (his uncle), nor by the accountant. Incidentally, for about three weeks now Mr

Liozner has been "no longer working" at GMM. At present, the plight of the "largest trust company, which enjoys high prestige" (as Mr Nenakhov's friend Mr Zhirinovskiy put it) has reached the limit. Under a threat of eviction, the International Trade Center has demanded that it pay its back rent by 10 June. Plus another \$12,000 in payment for guests put up at the trade center's hotels. (Incidentally, the reader need not be bothered by the existence of numerous companies in "GMM's financial empire"—they are nothing but about 20 juridical persons, many of which have not engaged in any transactions for a long time and which are registered at the same legal address.) In attempt to "reach an agreement" with the Central Bank, about a month ago GMM arranged to have contracts concluded through an authorized bank, the Tyumen-Germes Bank. However, the authorized bank bears no liability for GMM's obligations; it is merely—and not without satisfaction—passing money through itself, which for all practical purposes changes nothing in the situation of GMM's clients. Especially since it is only contracts concluded in the past month that have been put through that bank.

Under such circumstances, Mr Zhirinovskiy is becoming the businessman's only hope. Especially since that solid contact was based on financial support for his election campaign. SEGODNYA has written about the election of Aleksey Zuyev, adviser to GMM's president, to the Duma on the LDPR [Liberal Democratic Party of Russia] slate, which in and of itself, of course, would not seem to be proof of the financing of the LDPR. However, Mr Nenakhov immediately raised a deafening outcry, claiming that no Zuyev had ever worked at GMM and that, in general, there had never been any office of president at GMM. Although the job activities of that young "Zhirinovskiy falcon" at GMM are known to a wide circle of people, and Mr Nenakhov himself continues to sign official letters as either "president" or director. It remains to be hoped that he still remembers his given name and patronymic.

It is characteristic that Anton Nenakhov is incapable of giving up his pathological proclivity for lying even about trivial matters: in his interview he states that he has leased a dacha until the year 2000 from the grandson of Andrey Gromyko, who, incidentally, supposedly works for him. Yet the lease runs until the end of 1995, and Gromyko's grandson has never worked for Mr Nenakhov and has not worked with him for a long time (since before Mr Nenakhov became head of the First Federal Bank).

As for the most interesting topic—the financing of Zhirinovskiy's party—although the financing was carried out almost entirely in cash and no payment documents could be left behind, there is plenty of indirect evidence. To be sure, some noncash payments were made, after all. On the eve of the Duma elections a private organization with the strange name of the Federal Security Agency, which was registered by Yuriy Goryakin, the director of Mr Nenakhov's personal guards, transferred 50 million rubles to a certain Sokol

Recreation Center headed by the previously mentioned (see the first article) Aleksey Mitrofanov. The Sokol Center, in turn, paid the bills for the LDPR's campaign air time. From the statements and actions of the LDPR faction's officials, it is apparent that they are not even attempting to conceal their financial ties with GMM. One has to think that such attempts were doomed to failure after the removal from the faction, in a selective act of desperation, of a group of deputies among whom some possess exclusive bookkeeping information.

If Mr Nenakhov's hopes for Mr Zhirinovskiy's political assistance are not realized, the prominent Dutch financier, as Deputy Zhirinovskiy's letter to Viktor Chernomyrdin suggests, may employ the "Mavrodi method" (the well-known statement by the executives of MMM that if the financial agencies do not stop pestering them, they will declare the impossibility of meeting their obligations to their clients, leaving the authorities one-on-one with millions of Lyona Golubkovs and Marina Sergeyevnas). The difference is the MMM, at the minimum, has, according to its present circumstances sufficient legal grounds for its operations. While all that is left for Mr Nenakhov to do is to "tear out his claws." Incidentally, Anton's cautious uncle Aleksandr Liozner, the "general director," also known as "head of the Moscow office," has already disappeared from the GMM office.

#### Filing Lawsuit Against Zhirinovskiy Urged

944F1208A Moscow MOSKOVSKIY KOMSOMOLETS  
in Russian 21 Jul 94 p 1

[Article by Aleksey Overchuk: "They've Killed the Constitution!: Deputy's Inviolability Will Cost Us Dearly"]

[Text] This is how it happens in our country: some people intensively write laws, and others do everything to avoid executing them. That is what gives rise to various kinds of amendments, rewrites, and supplements.

So the very simple case with Zhirinovskiy has been obstructed.

Judging from the normative acts that are in effect in Russia (the Constitution, edicts, and laws) and from judicial practice, Acting General Procurator Aleksey Ilyushenko, who has demanded depriving the LDPR [Liberal Democratic Party of Russia] leader of his deputy's inviolability, would not have to deal with the Duma at all. He could calmly bring to an end the matter of accusing Zhirinovskiy of inciting interethnic enmity in the book "Posledniy Brosok Na Yug" [Last Leap to the South]. **Through the court.**

That opinion is shared by many experts in the field of law. Oleg Nazarov, senior procurator of the General Procuracy, has agreed to provide commentary on that situation for MOSKOVSKIY KOMSOMOLETS.

"Our Constitution mentions violability for three categories of officials: the president of Russia (Article 91), deputies (Article 98), and judges (Article 122). An analysis of the articles indicates that the only person who has absolute inviolability (with which it is impossible to apply any coercive measures on behalf of the state) is the president. Following logic, it can be assumed that officials of other rank must possess inviolability to a lesser degree than the head of state.

"The Constitution confirms this. For example, in Article 122, with respect to judges, in addition to inviolability it is also mentioned that they can be held criminally responsible, but in a procedure to be defined by federal law.

"Something similar pertains to deputies. Without the authorization of the Federal Assembly, it is impossible to apply arrest, detention, search, or personal examination to them. That exhausts the list. That is, inviolability is limited to specific concepts. The Military Board of the Russian Supreme Court also adheres to this point of view. On 5 August 1994 it declined an official request from lawyers to discontinue the case against their clients Lukyanov and Starodubtsev with regard to the KChP. Both defendants then became deputies. And the lawyers insisted on their inviolability. However the court told them that the Constitution contains an exhaustive list of measures of a coercive nature, which are not subject to application without the authorization of the Federal Assembly. And which is not subject to broad interpretation."

But on 8 May 1994 the law entitled "Status of the Deputy..." was adopted, in which the concept of deputy's inviolability is considerably broadened. It has turned out that not only can the deputies not be held criminally responsible by court decision, but it is even impossible to interrogate them without the authorization of the Federal Assembly. What we have here is an elementary amendment to the Constitution, although it is not actually such. And if "Status of the Deputy" is a law, then it contradicts the Constitution. And it should not be executed. According to Article 15, the Constitution has direct action. And the highest legal force. Therefore, when jurists see an obvious collision between laws, the preference should be given to the Constitution.

The course of legal thought is clear. Let us now look at Zhirinovskiy from this position.

This is the generally accepted course of investigation. First, the investigator makes the decision to file a criminal case. Then there is the interrogation of witnesses and the collection of evidence. When these two stages are completed, the investigator makes a decision to lodge an accusation. That is, he makes a finding as to whether or not the suspect is guilty. Simultaneously, the decision is made to apply a preventive restriction (maintaining the accused under guard or enjoining him from leaving the

city), so that the accused will not wander away. Zhirinovskiy did not wander away and did not hinder the investigation. Consequently there was no need to arrest him.

Whereas previously the investigation proceeded along the usual (above-described) plan, suddenly it began to go awry. Acting General Procurator Aleksey Ilyushenko made a recommendation to parliament that it remove deputy immunity from Zhirinovskiy. Instead of simply sending the case to court, as should have been done according to law.

The Constitution remains silent about taking deputies to court. According to judicial practice, the court will have to contact the Federal Assembly only in the event that the judicial agencies officially recognize Zhirinovskiy as being guilty. So that the high assembly can "evaluate" the case involving their colleague and decide whether or not to hand him over to the justice system.

No one has done that. Instead, we have been shown the latest reel in the mythical struggle against a real monster. And, as everyone knows, laws do not have effect in the movies.

#### Judiciary's Role in Anticrime Work Studied

944K2050A Moscow LITERATURNAYA GAZETA  
in Russian No 31, 3 Aug 94 p 13

[Article by Igor Gamayunov, LITERATURNAYA GAZETA commentator: "The Third Power Is Not Yet a Power: Evidence Gleaned in Keeping With the President's Edict Must Be Rejected by Any Court"]

[Text] The more explosions and gunfire there are on the streets of Russian cities, the more heated the polemics in the press, including on the pages of LITERATURNAYA GAZETA, about how to put a stop to the growing terror. Is the "third power," that is, the judiciary, to blame for the fact that the leaders of criminal groupings are going free? The edict of the president of the Russian Federation concerning the fight against gangsterism intensified the debate: Will law enforcement organs not forget about human rights in their zeal to arrest criminals? And in the meantime the criminal world is more and more frequently taking the right to life away from Russians.

Two years ago when the criminal groups, collecting payoffs from kiosk operators, were firing at one another without yet resorting to help from snipers and bombers, it seemed that there in the criminal world, which has nothing to do with us, they were dividing up spheres of influence. But now it has suddenly become clear: They are dividing up property, seriously and on a large scale. And along with it—the power as well.

Naturally, the more terrible things are on the streets, the more severe the criticism against the militia—the most convenient target. It is inefficient, not very professional, and corrupt. And there turned out to be so many bribe takers in it (discovered, incidentally, by the militia

itself). And so many wolves, capitalizing on theft and sale of operational information. Moreover, it is burdened with a heavy legacy—an inclination to put on a show, for the sake of which—it sometimes happens—they beat testimony out of people with their fists, set traps for suspects, and put people in such SIZO [Investigatory Detention Facilities] cells and with such cell mates that they are prepared to admit to whatever you wish.

But the more there is of this criticism, which is generally quite justified, the more doubts there are: Is that all there is to it? And is the militia, which has been bled dry by the mass departure of professionals to commercial structures, in a condition to cope with its task? In its briefings and interviews workers of the Ministry of Internal Affairs of various ranks and in various specialties have long been asserting: Yes, we have our intradepartmental problems—personnel, technical, and so forth, and we are solving them to the extent that our forces and capabilities allow, but the militia must receive help from legislators—it is necessary to update the obsolete Criminal Code; to adopt a law on organized crime, corruption, protection of witnesses. This must be adopted as quickly as possible.

Because even what the militia can do now—follow and establish who organized the criminal actions and arrest him—does no good: Witnesses and victims, unprotected by the law, are afraid of revenge.

An inspection organized by the Ministry of Internal Affairs revealed a phenomenon as strange as it is alarming: In practically all regions of Russia judges have abolished measures to ensure the appearance in court of leaders of criminal groupings, releasing them from custody until their court appearance. Why? So that it will be easier for them to intimidate witnesses and victims?

In defense of his colleagues, the chairman of the Supreme Court of the Russian Federation, Vyacheslav Lebedev, published in LITERATURNAYA GAZETA (on 18 May of this year) what would appear to be extremely convincing figures. If the courts had released the 9,318 individuals arrested last year, 39,800 individuals (four times more!) were placed in custody. "Not preliminary investigation organs," the chairman of the Supreme Court of the Russian Federation emphasizes, "but the courts." In a word, the Ministry of Internal Affairs has ended up in a sorry situation, having "plucked" from various regions of the country more than 100 negative examples of release from custody before the trial, which have no statistical significance.

It would be pointless to argue with this "statistical" logic were it not for one detail: "In this case the Ministry of Internal Affairs was interested only in leaders of criminal groupings. For they are the ones who, if left to go free, after their hands are broken up create new ones. They organize the persecution of witnesses. They launder the stolen money, from which, incidentally, they pay bail when it is necessary to remain free until their trial. Not



so long ago there appeared in the press a report that the "godfather" of the Ukrainian mafia, arrested by the militia, put up a bail of R150 million for abolishing measures to ensure appearance in court and, according to Ministry of Internal Affairs information, he immediately took off. According to the same operational information of the Ministry of Internal Affairs, judges take bribes for this that are twice the amount of the bail!

Of course I would like very much for immediate release on bail to be an everyday detail of justice here as it is in countries of the West. But even there they do not release on bail—for any amount of money!—people who are suspected of organizing large or especially serious crimes. But here in Irkutsk Oblast a judge released from custody "as not presenting a danger to the society" an individual who, after killing the director of a commercial store, dismembered his corpse. Here in Mordovia we released from the investigation detention facility until his trial a criminal who immediately after his release murdered the operations officer of the same investigation detention facility. Here in Belgorod Oblast we released from custody until his trial a person who had stolen immense amounts of money from banks with a phony letter of credit and he, of course, immediately left Russia without waiting for his trial.

The Ministry of Internal Affairs, suspecting all these judges of bribery (operational data indicated this), wanted one thing: Investigations. An extensive background report with "examples" was submitted to the Procuracy and the Supreme Court. **The investigation never took place.** Why? Two esteemed individuals answered this question for LITERATURNAYA GAZETA.

Anatoliy Merkushov, deputy chairman of the Supreme Court of the Russian Federation, chairman of the collegium on criminal cases:

—We will not argue with the Ministry of Internal Affairs. Our view has already been expressed by the chairman of the Supreme Court. Moreover, the court is independent and subject only to the law.

—But the report contained facts...

—So what! We have a Procuracy, let it investigate\*....  
[Footnote:] [\*As it turned out, the Procuracy did not conduct the investigation.] That is its job.

Yevgeniy Sidorenko, deputy minister of justice of the Russian Federation in charge of personnel questions:

—The discussion of the judges comes from a truth that many do not yet understand: The court is not a screw in the mechanism previously controlled by the Ministry of Internal Affairs, rather it is the **THIRD POWER**—the peak of the pyramid, and at its basis are both the Ministry of Internal Affairs and the Procuracy.

—Does this mean that among the representatives of the **THIRD POWER** there are no dishonest people, slick operators, liars, and bribe takers?

—Of course, one cannot say that categorically. Moreover, judging from the work of the qualifications boards (and judges are extremely demanding when it comes to their colleagues), one can state that there has even been a certain lack of discipline among the corps of judges and some have an exaggerated sense of their freedom, their independence from everything and everyone. Facts? In 1993 the qualifications boards removed 69 judges from their positions. In past years, when the judges were under the protection of the state and the Ministry of Justice also had more influence, at most eight to 10 judges were stripped of their authority. Now the figure 69, on the one hand, reflects, shall we say, greater dissoluteness among judges, and, on the other hand—the fact that the corps of judges is more critical of itself. Because, I emphasize, a judge's own colleagues will oust him if he is at fault. Neither the Ministry of Justice nor the Procuracy has the right even to get near this matter. We can only raise the question before the qualifications boards, no more.

—What are usually the grounds for removing judges?

—They vary. Ordinary misdemeanors. An inclination to frequent bouts of drunkenness. The most widespread cause is red tape, when in a judge's safe there are cases about which nothing is being done while people are languishing in prison waiting for their trial date. Of course there are situations where there is nothing the judge can do—jurors are absent, the lawyer is ill, the work of the bailiffs has been poorly arranged. But in other cases, when there has been negligence and indifference, the qualifications boards make harsh decisions.

—And have there been cases in which judges have been removed for taking bribes?

—One case. And it is now in the stage of investigation.

—How do you feel about the fact that nobody checked the facts presented in the report?

—The way one should according to the law. The fact is that a judicial decision to abolish the measures to ensure appearance in court is **subject neither to appeal nor to protest**. Correspondingly nobody has the right to check on such a decision.

—Even when, according to operational information, this decision was dictated by selfish motives?

—It is hardly possible to see selfish motives in a decision to release an individual from custody until the trial; after all, as a rule they are based on the fact that in the given criminal case the judge does not see sufficient evidence of the guilt of the suspect. I want to add that they are being a little bit tricky in the Ministry of Internal Affairs report. For even if the judge has

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incorrectly abolished the measure to secure appearance in court, an investigator who is persistent and sure that he is right can justify arresting the suspect again. And if he does not do this it means that he does not have enough confidence or convincing facts. Incidentally, it is extremely difficult to obtain this kind of evidence against the big-time mafia members; they are indeed untouchable today. There are, of course, operational files on them but they cannot be presented in court. And the militia may be quite well aware of the affairs of the leader of one criminal grouping or another, but the court requires not simply information but concrete proof of the commission of a crime by the mafia member himself.

- The president's edict, it seems, facilitates the solution to this problem by permitting operational materials to be used in certain cases.

The edict contradicts the Constitution. And therefore any court when considering a case will throw out evidence gleaned in keeping with this edict.

- That is, it will share the fate of many of the president's edicts—failure to execute?

- This edict has one positive quality which, incidentally, distinguishes many of Yeltsin's edicts: Taking into account the sluggishness of both the government structures and especially our legislators, the president's edicts motivate them to step up legislative work. For many crucially necessary draft laws lie for months and even years in the government and State Duma. Yeltsin's edicts prompt work on them and stimulate the legislative process.

- Will the law on protection of witnesses perhaps pass this time?

- Yes, this is one of the typical examples: They adopted it on the first reading and then tabled it.... Our State Duma, unfortunately, is too involved with itself. And also political actions on the international plane—Yugoslavia, Iraq. While at the same time we have so many domestic problems....

And so, the court is independent, assert the esteemed people with whom we spoke. It is hard to doubt that after the story of the unverified report from the Ministry of Internal Affairs. The dream of jurists who asserted the need for a THIRD POWER back during the years of stagnation and journalists writing on legal subjects has come true.

But something keeps us from rejoicing in the dream come true. Perhaps the story of the extortionist who was released until trial in Ulyanovsk, who forced the witnesses who testified against him to recant their testimonies immediately.

And perhaps the presentiment of future executions of professional killers hired by the money mafia who are always slipping through the fingers of the THIRD

POWER, among whose representatives, it turns out, there are drunkards, there are red tape artists, but no bribe takers....

#### New Legislation on Mass Media Scored

944F1145A Moscow OBSHCAYA GAZETA  
in Russian No 35/55, 29 Jul 94-4 Aug 94 p 12

[Article by Anna Politkovskaya, under rubric "Demarche": "Agitprop [Agitation and Propaganda] of the Era of Democracy"]

[Text] It could be delirium, or it could be reality. But Suslov has finally arisen. If you will recall, there used to be a gloomy individual named Mikhail Suslov, who was in charge of ideology at the CPSU Central Committee prior to Aleksandr Yakovlev, the head of the current "Ostankino." So, Suslov continues to like working in his Kremlin office. In order to have a view of the stars... His work day begins, as always, early in the morning, with a reading of the newspapers, of which only an exceptionally small number still remain in Russia, and with telephone calls to all the editors in chief of those newspapers, who are precariously dependent upon subsidies. There's only one thing wrong: certain names have changed. Oh, well, we'll correct that. Telephone call: "Mr. Whatever... I can't get my tongue to pronounce it... Please forgive me, but I'm simply an old man. So, Comrade W.! what do you think you're doing? Criticizing Solzhenitsyn! Have you gone out of your mind? Don't you know that nowadays he is the torchbearer and lodestar? You'll have to think up something immediately. Otherwise I'll take your party card away. What do you mean, you don't have a party card? What are you trying to say? That you're not yet a member of 'Vybor' [Choice]? Well, you'd better do something pretty quick. Today!..." Then another telephone call: "Comrade S.! By the way, I was just talking to Mister W. He has already admitted that you also are getting a bit softer. Yes, you're not supposed to touch Solzhenitsyn. He's going to get the Hero tomorrow. Incidentally, I wanted to ask you why there has been a delay in getting my dividends from you. Yes, I want them today. Look into it..."

**Most Likely Reality.** Yes, that is exactly a picture of what life will be like in the near future. The only thing is that, possibly the person's name won't be Suslov. Do you think we were trying to frighten you? Yes, that is what we counted on. Incidentally, it's already too late to get frightened. The job has been done. The only thing the artist has to worry about now is what kind of frame to use.

Late last week, the last work week before the terribly long parliamentary recess—until October—the members of the Duma suddenly extended their evening session, decisively refusing to stop for dinner, and then they elevated to the rostrum Mikhail Poltoranin, chairman of the Committee on Information Policy and Communication. Extremely brief hearings began on the draft entitled "State Support of SMI [Mass Communication Media],"

in order to adopt it in its first reading. Naturally, the Duma members adopted it, taking care of the matter is perhaps half an hour, just as though they were discussing not the latest in a series of attempts to eat up what is, so far, the chief gain of Russian democracy—freedom of the press and freedom of speech—but, rather, some trivial matter such as the creation of a couple of new zoos on the territory of Russia.

OBSHCAYA GAZETA has already written about the draft of that federal law ("Capitalist Agitprop," No. 26, and "Slyness At Any Price," No. 27). We had hoped very much that the deputies would at least give this matter some careful thought before pressing the buttons to record their votes, and that the other mass media would support us. Alas, nothing came of it, and now we are forced to return to the same topic once more.

**Most Likely Delirium.** Well, then, what will happen in Russia, for example, next year, if the draft, after becoming a law in the autumn (of which, after the discussion in the Duma, there are practically no doubts now), goes into effect? Incidentally, as has become known from the same Duma sources, the haste in having the first reading was also caused by the need to have all the rather large amount of preparatory work for the beginning of the functioning of the law carried out during the summer, and specifically this summer. Because it is necessary in the autumn—the traditional time for active political life in Russia—to begin the process of putting the mass media in the hands of those to whom the draft provides great opportunities.

First of all, privatization, and the conversion of the mass media into joint-stock companies. In order today to stifle the "unnecessary" newspapers, the first thing that has to be done is to become the owner of those printing enterprises at which they are printed. Therefore the draft establishes the rules for forming joint-stock companies primarily from enterprises with large-scale printing capacities, where most of the press is printed. Where the formation of joint-stock companies has already gone through that stage, it is necessary to go through the documents with a shovel in order to bring them to a single model that has been established by the new law. Privatization is exclusively to the benefit of large-scale enterprises, the monopolists in the printing branch, which already have a tight grasp on the appropriate market of services, practically dictating to millions of Russia readers the tastes that are consistent with their own. All the opportunities for the existence of small or even middle-sized printing enterprises are being eliminated. What is the idea of this? Naturally, the same Bolshevik idea—in order to make it easier to control them.

The only thing that is changing—and this is a fundamental change—is that the alleged state protector of the mass media, which is called the **national fund for the development of the mass media**, is throwing itself onto the neck of the monopolists. Can anyone think up a more jesuitical name than that? The NF [National Fund] will

own 51 percent of the shares of the printing giants and will use them to provide the complete "cover" a) at the state-parliamentary level, and b) against the mass media proper, by prohibiting the latter from publishing materials containing attacks on the monopolistic printers and from inciting public opinion against them in that way.

But, generally speaking, is it possible today for anyone to dictate something to someone else? How to write or what to publish? Without a doubt, this is just as possible as it is to prohibit some commercial firm from dealing with another firm under the threat of being eliminated or of being taxed by a tremendous and excessive tribute. The draft for the new federal law opens up this kind of real opportunity for the NF leadership. The *diktat* over the mass media will be carried out not by the weapon of ideology, as was the case during the CPSU era, but by the sharp guillotine of financial dependency that is based on a law that requires and stipulates, article by article, the participation of the NF in "administering" the mass media. The attentive reader has already realized that we are talking about a real state racketeer that is called the NF and that is being created with the purpose of exacting tribute to its own advantage, to meet its own needs, from those who, by virtue of the Russian economic circumstances, are relatively dependent and powerless.

However, the larger an organism is, the more difficult it is to control it. Physically the NF will not be able to put its paw on the hundreds and thousands of domestic newspapers. Therefore the developers of the draft are deciding to sign the death sentence for most of the Russian press in order to assure the survival of only a small part that has become controllable. How?

According to the draft, the overwhelming majority of journalists and their publications are banned from participating in the creation of joint-stock companies from their printing enterprises. That right will exist only for those newspapers that operated during the Communist era, inasmuch as a time requirement is being established—the publication must be no less than ten years old, and a male journalist must have worked there for the same length of time, but a female journalist (can this be so?) 7.5 years.

Simultaneously with this, the printing giants who have fused together in a single financial gust with the NF are granted the right to engage in book-publishing that is preferential in all regards. The natural question raised is how the book-publishing problem, generally speaking, happened to be included in the draft entitled "State Support of the Mass Media." The answer is simple: book-publishing appeared here with only one purpose, the purpose of using it to help destroy most of the newspapers. Giving people in the printing industry benefits specifically for book-publishing means allowing them immediately, from the moment that the law goes into effect, to reject the relatively unprofitable and constantly worrisome work with periodicals, which do not possess gigantic printing runs. Who will want to print



a particular newspaper if it is more profitable and more convenient to print an impressive printing run of an erotic book or a detective story that is sold out instantaneously and that brings in incomparably higher profits?

Thus, the publications that have very real chances of being consumed in the fire of the NF are NEZAVISIMAYA GAZETA, NOVAYA YEZHEDNEVNAYA GAZETA, OBSHCAYA GAZETA, KURANTY, and many, many other ones. Possibly SEGODNYA: commercial structures that want to support and finance the mass media will all be required to transfer funds to the same NF that has been a collector of all the funds and the only—allegedly the most just—distributor of them. Who will remain alive? PRAVDA, SOVETSKAYA ROSSIYA, KOMSOMOLSKAYA PRAVDA, IZVESTIYA, and maybe two or three more such as ROSSIYSKAYA GAZETA, which has completely proven its ability to act as someone else's mouthpiece.

It is curious that the originators of the draft anticipated the passage of the draft through the Duma by carrying out a large amount of preparatory work, as a result of which not a single one of those newspapers for which fate has historically willed their remaining in the newspaper market mentioned even the tiniest word about the forthcoming changes in freedom of speech or freedom of the press in Russia. And that is understandable: they will all prove to share the winnings.

But does the reader gain from this? Slyly, the originators of the draft reply, "Yes, yes, and yes. The state is poor. They can live at the expense of others." Once again we are being roped in without being consulted—in this way freedom completes the circle of its wandering across the country of former soviets, which nowadays has become the country of the funds that have replaced the soviets. The reader, of course, will get his share of information. True, a share with a strictly controlled dosage. Only that share that the leaders of the NF deem it necessary to provide him with. Thus, the tastes of the NF leadership will directly determine—just as previously the tastes of the appropriate members of the Politburo of the CPSU Central Committee used to determine—what information the consumer will get, and in what form.

There are all justifications for assuming that the periodicals that remain afloat will be engaged in cheap lobbying for the NF and those political structures that specifically the NF intends to move toward the 1996 election. So wake up, citizens! With the enactment of the law entitled "State Support" and the creation of the NF the placement of the forces in the political arena will change fundamentally in Russia.

Recommendation. In the circumstances that have developed, it is necessary, finally, to demonstrate that a corporation or a shop is still some kind of force in Russian journalism. That is why we propose to journalists and outsider newspapers that they take immediate steps to cooperate with one another, perhaps under the aegis of OBSHCAYA GAZETA, and to create a Fund

to Save Russian Journalism From the National Fund For the Development of the Mass Media and from the laws enacted by the State Duma. It makes sense to unite right now, before we have been completely disunited.

## REGIONAL AFFAIRS

### Nemtsov on Zhirinovskiy, Regional Concerns

944K2038A Moscow LITERATURNAYA GAZETA  
in Russian No 31, 3 Aug 94 p 10

[Roundtable discussion at LITERATURNAYA GAZETA's Club 206 with Boris Nemtsov, governor of Nizhniy Novgorod and deputy of the Federation Council; date not given: "Whoever Can Do Better, Let Him Do So"]

[Text] A. Udaltsov, chief editor. I would like first of all in the presence of everyone to once again congratulate Boris Yefimovich for the fact that he contributed two years ago to the purchase by the Nizhegorod Museum of our collection of paintings donated by artists of Russia. Well, I shall begin with a question that is not among the most important, perhaps, but that is a "hot" topic: Who in Nizhniy Novgorod, for all that, organized this obstruction of Zhirinovskiy? He assures people that you personally wrote the posters.... And, in general, such meetings, even of Zhirinovskiy's opponents, do they contribute to propaganda for him or the other way about?

B. Nemtsov. Zhirinovskiy had attempted to visit Nizhniy Novgorod on three occasions. Twice he wanted to do so in winter. This did not happen. But on this occasion it did. I am, generally, very fair in my treatment of opposition politicians. I am prepared to meet with Zyuganov, Anpilov, Rutskey. For which I have repeatedly caught hell, incidentally. But I have no wish to meet with a miserable individual bringing disgrace on Russia and Russians. I told him this earlier. As deputy to deputy, moreover. Were I simply a government official, a governor, I would be obliged to receive him, but inasmuch as I am a deputy also and the same privileges and powers extend to me as to Zhirinovskiy, I can permit myself this luxury of not meeting with Zhirinovskiy. But he came, nonetheless. He was greeted at the airport by quite a motley group of citizens, who were, as was subsequently ascertained, entrepreneurs and figures of culture. The sense of their placards was that Zhirinovskiy should clear off, get lost, and so forth. He did not care for this at all and began to operate in his usual key—to shout, brawl, denounce. It was, by all accounts, the first time in Russia that Zhirinovskiy had been greeted in this way. The administration, incidentally, complied with all the formalities. There were no escort or security vehicles, it is true, inasmuch as this is not specified by law, nor, incidentally, do I have such nomenklatura attributes. I live quite freely.

Subsequently his mission was a total failure: The hall in the Sormovskiy Movie Theater was only just over one-fourth full, and at a demonstration in Minin Square, just

200 persons. We have here the Spring Union organization. I cannot find its counterpart in Moscow because it is composed mainly of young people free of undue complexes and quite diverse in terms of their beliefs. But they are all of a like mind in respect to the leader of the LDPR [Liberal Democratic Party of Russia]. So, then, Spring launched a big balloon over the Kremlin, on which was written: "Zhirinovskiy Shall Not Pass!" This was the last straw. The authorities did not have the least thing to do with the balloon, incidentally. The balloon was launched, moreover, in a zone that is prohibited for such flights—in a corridor used by aircraft when landing—and the command that the balloon be removed had to be given, therefore. Now about why I did not wish to meet with him. He would have used this meeting in his own interests. He would have declared that Nemtsov supports the LDPR, regardless of what I might have said to him. I was in the city at this time, naturally. I was told of the intrusion into my office by the chief of the Internal Affairs Administration, and I requested that Zhirinovskiy be removed from the office. I heard in response something about the deputy's status, immunity, and such. It was then ascertained that the leader of the LDPR had summoned the prosecutor and the chiefs of the Federal Counterintelligence Service and the Internal Affairs Administration. The first two went, the chief of the Internal Affairs Administration did not. Following a conversation with Zhirinovskiy, Mr. Oblast Prosecutor refused to sanction the clearance of Zhirinovskiy from the office. This tells me a great deal. I am a deputy also, incidentally. But the prosecutor himself had a somewhat one-sided comprehension of what is meant by a deputy's immunity and he did not, for some reason or other, extend it to my office.

Generally, the Zhirinovskiyites turned everything over top to bottom. Some things were missing. Zhirinovskiy himself, evidently, did not take anything. But there was such an audience all around that anything might have been expected of it. It then transpired that I could not bring suit against Zhirinovskiy without the authorization of the Duma. I needed first to send a letter to the Prosecutor General for the latter to submit a proposal to the Duma that authorizes me to apply to the court, which is what I ultimately did....

Zhirinovskiy is unique.... Everyone knows, we have anti-Semites in our country. You may make of them what you will, but they exist. There are Jews as well. Also there by the grace of God. But it is very rare that there is such a remarkable combination as an anti-Semite Jew. Zhirinovskiy's example led me to believe that a person who hates his parents has no right to be involved in any public activity. A person that wishes to forget the name of his father does not have the right to any public protests. Such behavior is always anomalous and dangerous. Zhirinovskiy's prospects? They will depend entirely on the situation in the country. We carried out a survey following Zhirinovskiy's visit. Some people, having learned what he had gotten up to, said: We had no idea that we were voting for a lunatic.

After Zhirinovskiy's "visit," incidentally, I sent a proposal to Mr. Rybkin: Prior to candidates for the office of president being entered on the ballot, the Central Election Commission should necessarily solicit the findings of medical practitioners on the state of mental health of the candidates.

**Yu. Solomonov, deputy chief editor.** Yuriy Aleksandrovich Afanasyev was sitting in your place some time ago. He is a man who is quite harsh in his evaluations of various politicians. Speaking about Yavlinskiy, he drew an analogy between him and Gogol's Manilov. Grigoriy Alekseyevich corresponds more than others, they say, to the Russian mentality. Russian people adore politicians with hare-brained schemes. Reforming the economy in 500 days—this caresses the hearing of the Russian so pleasantly, but is somewhat far from reality. In this respect Yavlinskiy, according to Afanasyev, is a typical Russian type of reformer. What do you think in this connection?

**B. Nemtsov.** You know, Afanasyev's opinion comes as a complete surprise to me. I personally was worried that Yavlinskiy would be an example of a politician far removed from the Russian mentality. The work in Nizhniy Novgorod has shown that there is nothing of Manilov in Yavlinskiy. Everything that we have done there has been, first, absolutely comprehensible, natural, accessible, and practicable. One of the most interesting projects, say, was the attraction of personal savings, of which all, whoever you like, except the state, have availed themselves subsequently.... At that time, in 1992, it never occurred to anyone to attract the resources of the populace via securities. Then the businessmen quickly figured out that this is an enormous source, inexhaustible, it may be said. The Nizhegorod bonds, in my view, performed a key role in an understanding of the investment process. In addition, we have managed to create in Nizhniy Novgorod quite a flexible system of social protection based on the fact that the citizens should receive money depending not on the category to which they belong but on what their income is. If the income is below the subsistence level, this person should be helped. This, incidentally, was Gaydar's dream, which he never did realize. But this has been done in Nizhniy Novgorod, although it has taken quite substantial resources. A giant data bank has been created, and every poor person has been entered in the computer. It can be learned easily via the centralized system what income a person has and what kind of benefits he needs. Other regions, Tatarstan, for example, have taken this route also, incidentally. That is, Yavlinskiy can produce both national programs and entirely specific things. The project for the detachment of the social sphere from the enterprises, for example. This is important, for the economy is being choked by the fact that giant resources are having to be diverted into the upkeep of kindergarten, creches, camps, and so forth. We introduced the registration of private enterprises by mail. There is no need to go from bureaucrat to bureaucrat or to offer bribes—everyone that wants to start up his own business may simply notify

the authorities by mail that he has done so. So Yavlinskiy is unlike the Kremlin or Duma dreamer. I can tell you this for certain.

**Yu. Solomonov.** How do you explain his high rating? Ordinary people among those asked are, I believe, little informed as to all your experiments.

**B. Nemtsov.** The point is that Yavlinskiy's name is not linked with any nastiness. Let us recall. The collapse of the Soviet Union. Yavlinskiy was one of the few reformers that was actively opposed to this. Last year's October events. The putsch. Not only did Yavlinskiy not besmirch himself, he behaved as a true citizen of Russia. And the second circumstance—the people intuitively dread fools. They have some kind of immunity to fools. I have some interesting observations on this score. There are among journalists and writers persons that are brilliant and those that are hacks. Among artists there are the outstanding and the mediocre. But politicians, for some reason or other, are divided not into intelligent and fools but solely into communists, patriots, democrats. Why not admit that among them also there are complete cretins and idiots and normal ones as well. That is, a grading linked with brains is for some reason or other lacking in politics.

**Yu. Kulikov, deputy chief editor.** What can you say about the role of international corporations in the Nizhegorod reforms?

**B. Nemtsov.** Many international organizations are operating in the region. But we proceeded from the outset from the fact that there would be no real help for us from overseas. No one gives out money just like that. The Chinese say: It is far easier to learn to catch fish than to find where to import them from. We decided to learn to catch. An opportunity for cooperation in the sphere of small-scale privatization emerged at the end of 1991. I refer primarily to the demonopolization of truck transport that was undertaken in the region and the creation of a stratum of actual medium-sized owners. After all, the owner of a truck is precisely the person that will campaign for stability, for a proper market. The owner of a store is to a large extent linked with mafia structures. With a truck there are other problems. But the truck can escape the control of the mafia. And so we began this program, the first demonopolization and sale of trucks at public auction in Russia, which brought about rapid progress in the development of the market, both wholesale and retail. Literally within a month I had forgotten about the problems of bringing people milk, meat, bread, and much else. I had ceased to think about lines at the gas pumps, which still exist in other places. Finally, a most far-reaching assignment, which we mapped out together with the International Financial Corporation—a program of land reform in Russia. This is the first Russian program that is based not on the decisions of bureaucrats but on freedom of choice and on absolutely any forms of ownership known to legislation. It is for this reason that even the brightest and most furious opponents, in the person of Starodubtsev, for example, cannot

pick holes in our program. Cooperation with international financial corporations and now with the European Bank for Reconstruction and Development and Britain's Know-How Fund has taught us a great deal. This program of land reform is now on Chernomyrdin's desk, incidentally. But it has not been signed. I would remind you that, as a rule, all reforms in Russia have begun with the land. And only in our time has the land been forgotten for some reason or other. Two laws, which led to nothing radical, were promulgated, it is true. The land is not being tackled in earnest. The Chinese experience is highly instructive in this respect. With the aid of the party apparatus, maybe, but the Chinese undertook land reform. In a year. After this, an economic boom began. And the failures of the Russian reform are connected to a considerable extent with the fact that two years have been spent in empty debate. Now as to the heart of the matter. How is the kolkhoz being reorganized according to the Nizhegorod model? Land and property shares are distributed to the peasants. They may then purchase these shares from and sell them to one another (I stress: to one another). If there are more than two applicants for the same land or property, a shareholders' auction is organized. A simple plan. But this program had to be written out in such a way that each little old lady understood what she could do with her share. All the statutes had to be made legally competent to prevent people running to lawyers and asking what kind of partnership they should form and so that they might take this statute or the other as a model. It was necessary to coordinate the program with dozens of bureaucrats in Nizhniy Novgorod and Moscow. Finally, to explain to journalists and, most important, to explain everything to the peasants. The agrarian lobby and its representatives in the Duma and the Federation Council, despite an extraordinarily adapted text, which we prepared for them in the form of comic books, virtually, have done nothing to support the program. Moreover, they are putting tremendous pressure on the government to ensure that the latter reject it. It should be recognized that without land reform, making progress in Russia will be impossible. This is more important than the Social Accord Treaty even—an abstraction about which everyone will soon forget. But the program of land reform could truly be a basis for accord. Zyuganov and I have spoken on this topic, for example. I said: Gennadiy Andreyevich, would you have any objection to the kolkhoz members, having obtained their shares, wanting to pool them all and create a kolkhoz? Zyuganov had no objections here. And the prime minister has not signed the program because some officials in the State Property Committee are still unhappy with some things. Of the eight farms reorganized in our region, not one farm has been intent on joining a kolkhoz, incidentally. Not one! But this is now everyone's right of choice.

**A. Udaltsov.** Filatov has announced that the president signed 106 edicts in just one week. Have they reached you? And, generally, can the region live without the center and its edicts?



**B. Nemtsov.** Despite all the talk about autonomy, we in fact live in a united Russia, and this is not only my conviction but an absolutely obvious economic fact. We are all integrated in a common economy and are absolutely dependent on the decisions of the central authorities. We are dependent on the tax system, which is established at the federal level. And the talk about the confederalization of Russia is of a speculative nature, in my view. Yes, the regions, truly, have many rights, and I do not complain that some people are getting in my way. And land reform may be undertaken, even if Chernomyrdin signs nothing. If he does not, that is his problem. Reform is needed by Russia, not the governor of Nizhgorod Oblast. There is this quantitative criterion of the level of independence of the regions from the center: how many rubles out of every 100 remain on the territory. In America 25 out of 100 dollars remain on the territory. In Russia, about 50. In Russia the independence of the regions is far higher. It is higher than in Germany, not to mention France.

**L. Pochivalov, observer.** What do you think about an appalling danger for Russia—bureaucratism? And how are you tackling this problem in your oblast?

**B. Nemtsov.** I had an opportunity to compare our officialdom and that of America when the construction of houses for the military personnel that are leaving East Germany and the Baltic was being discussed at the top level. We were included in this program. American officialdom is worse than ours. Much! These are absolutely unscrupulous people that have no desire to do anything and that are prepared to bury any decision of their president. After having come into contact with the American bureaucrat, I began to have a better attitude toward ours. But, generally, they are the same everywhere. There is just one weapon of struggle against corruption—the press. No deputies' or prosecutorial commissions, which are dependent on those same bureaucrats, are any help. And I say this not because I am talking with journalists, this is truly the case. Although if there are only state-run newspapers and television, they are not to be counted on either, of course. And, generally, by virtue of economic dependence, the press will continually belong to someone or other. The main thing is that it not belong to one person. I altogether believe that capitalism is better than socialism in that under capitalism a far larger number of people make decisions. And privatization is a situation wherein many responsible people emerge. One is responsible for a store, another, for a truck, yet another, for something else. You understand? This is a way of fighting bureaucracy.

**D. Molchanov, editor of a department.** Mikhail Gorbachev began his election campaign in the press. He was in Nizhniy Novgorod. Do you maintain good relations with him? What are his prospects for the future?

**B. Nemtsov.** We gave Mikhail Sergeyevich a good reception, and Gorbachev's meeting with students of the

Construction Institute was incredible in terms of public response. There were so many people that even the stairs gave way. I asked one student: Why are you so attached to this Mikhail Sergeyevich, what is he to you? He said: Gorbachev is our history. Mikhail Sergeyevich was, truly, our history, to which we need to adopt a solicitous attitude. You may like Gorbachev or dislike him. He explains everything by the resistance of the bureaucrats and so forth. He made a giant number of mistakes. I, for example, importuned him with just one question: Mikhail Sergeyevich, what prevented you in 1985 from doing what we are having to do now as a matter of urgency? He made a mass of mistakes. But this in itself is not a reason for kicking him. I altogether believe that Mikhail Sergeyevich should have been criticized when he was president. I, for example, was abusing Gaydar continually. Now I am asked: What's your view of Gaydar? I say: A person that has resigned may not be abused.

**D. Molchanov.** So does Gorbachev have any prospects politically?

**B. Nemtsov.** Nikita Mikhailov believes that Gorbachev has a big future. I asked Mikhailov: Can you give just one Russian example of a person returning to such an office? No, Mikhail Sergeyevich has few prospects, I believe....

I can recount a ridiculous episode of the meeting with Gorbachev in Nizhniy Novgorod. We had gone to a very good privatized restaurant. Mikhail Sergeyevich suddenly said: "I will now go and call Raisa Maksimovna and tell her what a splendid thing this is—privatization. I said: Mikhail Sergeyevich, did you really have to be taken to such a restaurant to understand that privatization is a good thing? I do not believe that Mikhail Sergeyevich will occupy any important position in the future. Although you can work normally with him. His foundation is doing pretty good work, incidentally.

**A. Tarasov, editor of a department.** What kind of relationship do you have with the closed city connected with nuclear weapons?

**B. Nemtsov.** Arzamas-16 is a special territory. There is even a law on the closed cities. From the viewpoint of the bureaucratic system, the head of the administration of this city is appointed by the governor. And all normative instruments concerning social life are the same as in Nizhniy Novgorod.

**A. Tarasov.** And if there is a shortage of something or other in the city, the complaints are addressed to you?

**B. Nemtsov.** All the facilities are in the operational control of the Ministry of Atomic Energy. And for this reason there is a conflict from the outset. A conflict, for example, between the environmentalists and the people that are developing new nuclear weapons. We are trying to smooth over this somehow. Arzamas-16 is a unique place because there is no mafia or corruption there. In

this sense it is a good place for the development of the market. On the other hand, if the city is closed, the market also is limited. And this is altogether a unique place. There are many ideas for use of the potential of this city from the commercial viewpoint.

**Ye. Bershin, observer.** The elections in Ukraine and Belarus. What significance will they have, in your view, for Russia?

**B. Nemtsov.** I am altogether very satisfied that Kuchma won the elections in Ukraine. It seems to me that we will be able, first of all, to settle the problem of the Black Sea Fleet and Crimea in general in human fashion. Kuchma is a sufficiently pragmatic individual, despite his statements, and will hardly fight very strongly for Ukraine's independence, economically particularly. Russia did not have a hand in Kuchma's victory. It was Kravchuk that had a hand in this. Nonetheless, unless Kuchma begins to implement market reforms, the same fate as befell the first president of Ukraine will befall him also. As far as Belarus is concerned, there is nothing I can say here. Because I do not know what sort of a person he is.

**Ye. Krivitskiy, deputy chief editor.** Boris Yefimovich, what is your view of Shumeyko's idea of an extension of the deputy's authority?

**B. Nemtsov.** We may, generally, agree with Shumeyko that elections are always an upheaval for the country and so forth. But you have to have a conscience! Elementary conscience. How can this be—the highest official of the upper house of parliament proposing that the people extend his authority. What is this? I simply cannot comprehend it, I cannot take it in.... I personally will hand in my deputy's card to Mr. Shumeyko on 13 December 1995....

**I. Ivanov, executive secretary.** Could you give us a little more detail about the Federal Assembly? A view from within, so to speak....

**B. Nemtsov.** The Federation Council is a special body. Somewhat similar to the House of Lords. It cannot, for example, pass laws, only approve them. Or reject them. The Federation Council is a typical corporate organization, in which the majority is represented by regional elites. The deputies do one useful thing here—they force the authorities to decentralize the budget. This is useful for Russia. In this sense the Federation Council is a very good body, regardless of its political coloration. It seems to me that it is operating, like any other parliament, inefficiently, with investigations, diversion onto all kinds of trifling matters.... But how can it be helped.... It is better than nothing. Politically, the Federation Council is a body that is close, I would say, to the party-economic activists. In the Duma it is easy to understand the breakdown of forces. Left factions, center, right.... And the morass, which determines the vote at times. In the Federation Council, as a rule, there are only chiefs, whose interests usually lie far beyond the hall. Regional interests. The point being that the country

is painted in different colors. But it is not a question of the people themselves. I am sure that the impulses emanating from Moscow that are contrary to the Russian character die out in the regions. You may strike with the sledgehammer from the Kremlin or the White House, but the layer of "wadding" still enables those that lie beneath it to feel nothing.

**O. Moroz, observer.** What, then, is the role of the center?

**B. Nemtsov.** Moscow differs from the provinces to a large extent. Primarily in that enormous amounts of money are concentrated here. Seventy percent of the country's capital is in one city. Moscow has imperceptibly become the financial capital not only of the country but of the world also. There is an immense amount of money here. How much, you cannot even imagine. And for this reason, I am sure, Russia will never fall apart. Never! All the money is in Moscow. There are very many controlling blocks of shares of privatized enterprises here. Moscow banks control virtually the entire economy of the country. And this is both good and bad. Good because the country is preserved. Bad because once again decisions are being made by people who live inside the Sadovoye Beltway. That is, the lack of money of the heartland against the background of the most powerful financial might of the capital—this is what is striking.

**A. Gasparyan, observer.** What may be said about the crime situation in the region? Has there been a fall in the number of crimes committed this year compared with the same period last year?

**B. Nemtsov.** A decline in burglaries, theft, car theft, and so forth. The number of serious crimes, homicides, and rapes is growing, although not that much. But because homicides have the greatest social repercussions, as a rule, people have the impression that things are, generally, bad. The president's edict is, in my view, illegal, but correct. The local law enforcement authorities are currently utterly disoriented. The procuracy has adopted this edict for unconditional execution, and the judges say that they will try people according to the law, but in accordance with the edict, never. And that information obtained illegally will not be admitted. In the president's place, therefore, I would try to put the question of the fight against crime in this relatively comprehensible form to a referendum. If, on the other hand, a referendum is not held, so as not to waste money, it is necessary for the gentlemen deputies to adopt amendments to the constitution. If they do not agree to this, it is necessary to appeal directly to the people. I believe that the deputies, placed in this situation, would be forced to do something. Currently the edict is not as yet working as intended, nor will it. I, incidentally, I am one of those that have suffered on account of this. I was recently leaving Moscow and was stopped by Moscow's Special Militia, and they conducted a search of the automobile. Then they let me go. I did not suffer all that much, of course, but even so.... You can imagine what is happening with the ordinary citizen, who does not have even the deputies' identification.

**I. Rishina, observer.** What do you think about the danger of fascistization in Russia?

**B. Nemtsov.** There are elements of fascism. Fascism is engendered by the authorities, the current ones included. How strong the traditions of fascism are and whether they will be reinforced will depend on forthcoming events in the economic sphere. What can be expected of people that have not been paid for months? In Russia there are 30,000 enterprises at which people are not being paid on time. And when characters come to them and say: You are not being paid because the Yids and Masons have pocketed all the money, they involuntarily begin to believe it. And it is very hard to get them to believe otherwise. Fascism cannot arise in a healthy society, it arises only in a sick society. Fascism is a sick society.

We had the Russian National Unity cell. Now it is virtually nonexistent. And there is the very small Pamyat organization. And several Zhirinovskiy supporters. Generally, all this is in an embryonic state. And whether it grows or not will depend on the overall economic situation. And the authorities must conduct themselves harshly with fascists, of course, paying no attention to the cries of hysteria. That same anti-Semitism means war. Unless we want war, measures must be adopted. Drastic measures included.

#### Central Authorities' Indifference to Regional Elections Scored

944F1193A Moscow SEGODNYA in Russian 2 Aug 94  
p 3

[Article by Leonid Smiryatin, member of the President's Council, under rubric "Crux of the Matter": "Division of Authorities in the Outlying Areas Does Not Exist Anymore: Results of the Political Season From a Regionalist's Point of View"]

[Text] Since October, changes that are not very noticeable, but that are exceptionally important, have occurred in Russia's regional life. It even seems to me that now, when the dual-authority system has ended in Moscow, it is precisely in the provinces that one sees the maturation of the tendencies that are capable of substantially changing the direction in the country's political development that the Moscow politicians are planning.

I would particularly like to emphasize the imperceptibility of those processes. For those who possess a "capitalocentric" view of the nature of politics, it is more customary to judge events in the provinces as a certain kind of emanation of Moscow events and to explain by means of the different remoteness from Moscow all the peculiarities of the political life of specific regions. Alas, the unhurried and undistinguished nature of provincial politics has deceived even the federal authorities, who have spent this half-year worrying exclusively about general Russian problems.

Moscow's attitude toward the elections to the regional representative agencies and the agencies of local self-government proved to be remarkable. This extremely important political campaign occurred without the slightest interference or influence of the federal authorities. The Moscow politicians preferred to convince themselves that this was really not such an important matter against the background of things happening in the capital. As a result, the elections in the regions only deepened the differences between the political life in the capital and in the provinces, built up the regional specifics, and further implanted the specifics of each region.

I would consider the most important of the new tendencies to be the sharp intensification of the executive authority in the outlying areas. The governor became, almost everywhere, the indisputable leader of the region, and his administration became the key, and practically the sole, agency of administration, and not only state administration, but also largely economic. Outwardly it would seem that the times of the oblast committees are returning. I happened to see, in the course of my trips across the country, the question, say, of fuel for the harvest operations being decided not between the producers and the traders, but in heated disputes between two deputy governors, one of whom "scans" agriculture, and the other, the fuel complex: one of them, as in the olden days, would shout, "Give it to us!" and the other would grumble, "No, I won't!", just as though it was actually they who produced that fuel or were in charge of an agricultural enterprise.

The most surprising thing is that the question was actually resolved in these debates. So the chief cause of the headlong increase in the influence of the executive authority in the outlying areas lies in the fact that it is effective. The directors not only of state plants, but even of joint-stock plants, bow down to it because in their "White Houses" it is actually possible to resolve very acute economic questions that are beyond the capability of an individual enterprise or director.

The increase in the governors' role is, of course, the inertia of the president's October edicts. Edicts that were designed to address the topic of the day and were aimed primarily at destroying the system of Soviets. Once again we are convinced that acts adopted for the sake of the most rapid resolution of today's problems have the property of becoming ossified in the system of state administration and of continuing their work after the problem has been resolved, and then their action becomes more negative than positive.

As it now turns out, in addition to the Soviets, the division of authorities itself was crushed in the outlying areas, and yet that principle has been prescribed in the new Constitution. Now it will be necessary to apply a considerable amount of effort to return to the representative power its authority in the regions.

Alas, that authority itself is to blame for its decline no less than the executive regional authority is. The election

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to the oblast Dumas occurred with very languid interest being shown by the voters. Not once and not twice, unconcealed Mafia members, who were very well known to the local residents, attempted to become deputies, and it was only the political naivete that is so typical of crooks (who did not even take the trouble to find a figurehead!) and the citizens' aversion to persons of this kind that made it possible to weed out almost all of them.

There were also many of those who planned almost openly to use the position to collect tribute subsequently. One heard everywhere the administration's complaints that the elected representatives were attempting first of all to worm their way into the financial committees of the Dumas, and were showing almost no interest in anything else. As a result, many Dumas turned into exchanges for lobbyists who represented private interests and who were indifferent to the citizens' interests. Incidentally, the sharp reduction in the number of deputies considerably facilitated the monitoring of them—both on the part of the big shots with the money, and on the part of the administration, which, in the absence of the Soviets, organized the election of the competing branch of authority. So the Dumas in the regions proved to be rather weak, both with regard to the qualitative makeup of the deputies and with regard to their real influence.

The election to the agencies of local self-government was of tremendous importance. In October the president commissioned the governors to hold that election no later than June 1994, and his edicts were executed in an unusually timely and complete manner. Almost everywhere they revealed, as a minimum, two important tendencies.

First, the election was organized, as a rule, by administrations at the rayon and city level. They took away much manpower and time from those administrative levels, but in the overwhelming majority of instances guaranteed them a sharp increase of influence upon the voters. The preparation for the election took several weeks, and almost the entire staff of the low-level administrations engaged in it. I heard a rather large number of inspired stories about how each official was assigned definite homes and how, day after day, those officials tried to persuade the voters to show up at an election meeting.

It is not surprising that subsequently those agencies, as a rule, elected as their own "chief" the head of local administration, and the employees of that administration constituted a rather significant part of the "people's representatives." In many regions the governors attempts to regulate those processes by introducing quotas for state officials in the makeup of self-government. In Tula Oblast, for example, it was decided that that share must not exceed half, but the head of one of the rayon administrations proudly told me that he had managed to do things in such a way that, out of 27 representatives to the rayon "council," only 12, or maybe 13, proved to be heads of settlement or rural administrations.

Of course, this conversion of local self-government into an "arm lengthener" for the local state authority poorly corresponds to the very idea of self-government as a knowingly nonstate form of organizing society. However, it is precisely because of this coalescence with the state apparatus that the young self-government immediately demonstrated its rather considerable effectiveness in resolving current public matters and began to win popularity rapidly. So the doubts of the constitutionality of this kind of coalescence appear to be justified today in substance, but they are not too vitally important.

Secondly, the voter who has been castigated so much for his passivity in the election to the regional Dumas demonstrated a rather large amount of dynamic action in the election of the self-government. Officials at the low-level administrations managed to convince the citizens that they were the authority that was closest to them, an authority that was open to their daily monitoring, and, most importantly, capable of resolving the most vitally important problems of communal life, such as heating, the allocation of plots of land, public works, etc. It is precisely that kind of intentional depoliticization of the campaign that made it possible, as it were, to blunt that sensation of having a bad taste in the mouth that the Russian voter had got during the too tempestuous political life last year. As it turned out, it is still possible to get the voter interested in public affairs if those are of an everyday nature and are local, rather than those that "determine the fate of a great power."

It is curious that political movements deep in the Russian heartland frequently counteract the elections to agencies of local self-government, since people quickly realized that today elections such as this sharply depoliticize the situation in the outlying areas and force the parties out of local public life. There have been a rather large number of instances when certain party cells attempted to channel the self-government into the struggle against administration heads, into transforming those agencies into a means of controlling the heads, or simply into a means for seizing the power from those heads. However, in most of these instances the matter ended with the expulsion of the party activists and the complete reswitching of self-government to the current matters of an everyday nature.

It is difficult to give an unambiguous evaluation of such processes. Who knows? It may be that the removal of excessive politicalization from local public matters will exert a restorative influence upon civil traditions and will rehabilitate public activity in the eyes of the Russian voter, returning to it the reputation of something that is "beneficial for the ordinary person," but also, most importantly, will provide a new impetus to the public participation of the citizens, who are still incapable of preserving sufficiently long attention to questions of pure politics. Incidentally, that would conform well to the traditions of the Russian *zemstvo*, which also was strongly depoliticized. Could it have been for that reason that the Bolsheviks hated it so much?

Moscow has also let these processes slip away from its attention. The Kremlin and the Duma have prepared two legislative drafts governing self-government—one is extremely “democratic,” and the other is rather conservative. Both of them are lagging considerably behind real life in the outlying areas. Both attempted to give ideal forms to the process that began long ago to develop in accordance with its own internal laws and that has had time to acquire its own forms, which at times are not very likeable.

So, regional life has become much more independent than it was a year or two ago. The Moscow authorities still possess a large amount of authority, but that authority is becoming, so to speak, increasingly ceremonial, rather than the expression of any real hopes of getting assistance from the central agencies in the resolution of local problems. One can only be gratified by the act that in the regions the people are realizing more and more clearly that the chief source of such decisions lies in the region itself, rather than in Moscow. Also, whereas previously that discovery discouraged many regional politicians and provoked them to make bitter complaints about Moscow's impotence, today the attitude toward this in the outlying areas is much more calm and constructive—the attitude taken toward a vital circumstance that one has to deal with every day. That, then, is the highway to true federalism.

There is one more observation that is noteworthy here. Almost all the governors or their deputies with whom I happened to speak spoke out decisively against any direct election to those positions. On the other hand, they defended the principle of appointment to those positions by the president. One must admit that at first this blatant contradiction to the principles of federalism dismayed me. However, I soon realized that these moods proceed not from the governors' excessive worship of unitarian ideas, but from the opposite: an awareness of their own political strength, their conviction that Moscow simply will be unable to remove them capriciously. And if that is so, then does it make sense to subject oneself to the risk of an election lottery, if all it takes is to observe the uncomplicated ceremony of giving obeisance to the Kremlin in order to guarantee oneself against being fired.

Incidentally, there have also been signs that the Moscow authorities are gradually waking up from their hibernation, and have been forming a regional policy in the broad sense of the word. A package of edicts and laws directed at regional problems are being prepared, and ideas of special regional programs are being developed, such as the program that is specially devoted to problems of Siberia or to the peculiarities of the “depressed regions.” Apparently this autumn we shall become witnesses to Moscow's beginning to take the counteroffensive, and then it will be important to watch that counteroffensive gradually change over to a process of the calm adjustment of the interaction between the federal

and regional authorities. To the greater advantage of the new Russian state system under the name of “federalism with a Russian face.”

### Citizens' Deputies Concerns About Elections Addressed

944F1177A Moscow ROSSIYSKAYA GAZETA  
in Russian 4 Aug 94 p 2

[Article by the Press Service of the RF Central Electoral Commission: “Imperfection of the Laws Has an Effect on the Elections”]

[Text] In response to the requests coming in from deputies to the Federal Assembly of the Russian Federation, from political parties, and from public movements, which requests express concern with respect to the prolongation of the process of forming representative agencies of state authority of subjects of the Russian Federation, the Press Service of the Central Electoral Commission provides the following information:

As of 29 July 1994 elections to representative agencies of state authorities were held in 73 of the 89 subjects of the Russian Federation. More from 1900 deputies were elected from more than 10,000 registered candidates. Also, for the first time, in conformity with the new Constitution the subjects of the Russian Federation formed their representative agencies and agencies of local self-government on the basis of their own normative acts and within time periods established independently.

In parallel with the formation of agencies of state authority, there were elections in 47 regions to agencies of local self-government. The voters sent their emissaries to the city Dumas, *zemstvo* assemblies, municipal councils, assemblies of elected individuals, and assemblies of representatives. In rural populated places, managers, elders, heads of self-government, etc. were elected.

By the end of this year, elections are supposed to be held in the remaining regions of Russia. According to information available to the Central Electoral Commission, they will be held in September-December 1994. No determination has yet been made for the deadlines for elections to representative agencies of state authority in the Republic of Adygey, the Republic of Dagestan, the Republic of North Osetia, or the Chechen Republic.

The Central Electoral Commission shares the concern of the deputies to the Federal Assembly and of the public with regard to the postponement of the deadlines for elections to representative agencies of state authority in a number of subjects of the Russian Federation, particularly in Krasnodar and Maritime krays, and Amur and Ulyanovsk oblasts, and, on its part, within the confines of the Constitution and the existing legislative of the Russian Federation, is taking steps to complete the election campaign in the regions by the end of 1994.

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Electoral practice indicates that elections are held in the most organized and most dynamic manner, with the least expenditures, in those subjects of the Russian Federation where the representative agencies of state authority and the agencies of local self-government are elected simultaneously. In this regard, the Central Electoral Commission recommends combining the holding of these elections in the regions, and also the more careful preparation of the legislative base, the imperfection of which sometimes leads to infringements upon the electoral rights of the citizens and disorganizes the electoral process.

The Central Electoral Commission supports the position of a number of committees of the State Duma that consider it to be desirable, when preparing the appropriate normative legal acts of the subjects of the Russian Federation, to take into consideration the norms that have been enunciated in the draft of the Federal Law entitled "Basic Guarantees of the Electoral Rights of the Citizens of the Russian Federation," which was adopted on 20 July 1994 in the first reading by a substantial majority of the deputies of the State Duma.

The Central Electoral Commission hopes that within the near future the Federal Assembly of the Russian Federation will adopt legislative acts that regulate questions of local self-government, and the organizing of the activities of the representative and executive agencies of state authority of subjects of the Russian Federation, and thus will provide the foundation for the legislative base for reforming the power structures in the regions.

#### **Territorial Administration Deputy Head Samoylov on Local Charters**

944F1177B Moscow ROSSIYSKIYE VESTI in Russian  
4 Aug 94 p 2

[Interview with Sergey Samoylov, by Anatoliy Karpychev, under rubric "Regions": "People in the Oblast Are Writing a Charter... Why?"]

[Text] A piece of news from the outlying areas: the krais and oblasts of the Russian Federation are preparing to adopt their own charters. This is something that has never happened before. Dictionaries define a "charter" as a code of rules. The "infants" in the oblasts do not constitute an exception. Sergey Samoylov, deputy chief of the Directorate For Work With the Territories, of the Administration of the RF President, discusses what kind of rules these are.

[Karpychev] Sergey Nikolayevich, what exactly is a charter? Why does a kray or an oblast suddenly have to have one?

[Samoylov] A charter is a region's basic law. On the one hand, it defines the powers of the oblast (kray) branch of authority, the mechanism for their interaction and responsibility to the population, and, on the other hand,

it clearly stipulates the rules for the interrelations that the region has with the federal authorities, with the center.

The charter is developed on the basis of the RF Constitution, and consideration is taken of the traditions of the territories, their history, and their peculiarities.

A word that I heard in your question was "suddenly." There is no element of unexpectedness here. On the contrary, we can talk about the continuation of the work whose parameters were defined by the Constitution, in the President's Message to the Federal Assembly. The Russian Basic Law [Constitution], which was adopted by nationwide vote in December 1993, mentions the kray and oblast charter. In addition to the RF Constitution, the charter is called upon to define the status of those territories. Because to this day we continue to encounter the practice when the local managers are not very knowledgeable about what they are responsible for, and what the center is. The importance of the charters lies specifically in the fact that they will strengthen the code of reliable "rules of the game," if one can express it that way.

[Karpychev] At what stage is the work on the charters?

[Samoylov] The process of working on the charters in the krais and oblasts has become extremely intense, although there are documents in various degrees of readiness. In approximately 30 out of 68 regions, they have gone past the rough-draft stage; in other oblast the search for structure and content is continuing. But whatever stage the work is in, the charters must take complete consideration of the principles enunciated in a number of federal laws that are being developed at the present time. They pertain to the general principles of organizing the state authority and local self-government, judicial reform, etc. The Federal Assembly is supposed to adopt them after the recess. Currently these documents have been sent out to the outlying areas, and are being reviewed there.

[Karpychev] Won't the creation of legislation in the outlying areas enter into conflict with the center and with the Constitution? How does one protect oneself against voluntary or involuntary "temptations"?

[Samoylov] According to the Constitution, the charter of a kray or oblast is adopted by the legislative (representative) agency of the appropriate subject of the Russian Federation. But it must invariably be registered at the Ministry of Justice. This is a normal practice, when the Ministry of Justice reviews the content of a document of such a nature in order to assure its conformity to the Constitution and the federal laws.

We have very strong regions from the point of view of the professional training of the legal cadres there. They include Nizhniy Novgorod, Saratov, Irkutsk, and others. Seminars and training sessions are conducted on their base. Experienced specialists travel out to the outlying



areas to conduct consultative sessions. In a word, there exist all the opportunities for avoiding conflicts with the Constitution, regardless of what reasons we have in mind—the level of professional training or political vanities.

[Karpychev] How does the local opposition react to the fact of the adoption of the charters? Won't it attempt to use them to restore a system of soviets or its elements?

[Samoylov] There can be different points of view concerning the rate of economic reforms and the situation in society, but we will agree that no one is allowed to violate either the Constitution or the federal laws. In general, one does have to encounter paradoxes. On the one hand, the opposition tirelessly repeats that it is necessary to unite and to return to the framework of the former Union, and, on the other hand, everything is done in the attempt to get their region to break away from the center, to make it some kind of tiny island where, seemingly, people can do whatever they want.

To speak honestly, in certain documents one sometimes encounters nostalgia. In Vologda Oblast, for example, deputies prepared what appeared to be at first glance a completely modern charter: it contained new terms and new formulations. But as soon as their essence was "stripped bare," the old "familiar" Soviet system appeared. At the same time—once again with the involvement of the deputies—the head of the local administration and its employees developed another version of a rather compact, truly modern charter. So what occurs is a collision of opinion, of vanities. And the "combat engagements" are definitely not just of local importance.

It should be noted that in these "combat engagements" an important role is played by the Russian Federal Assembly. People in the regions want to have a deeper knowledge of what laws will govern the federal authority, how it represents its relations with them. By knowing this, it is easier for the regions to build their legal constructions "from the bottom up." The delaying of a number of federal laws, people in the outlying areas feel, is one of the reasons for restraining their actions in establishing legislation. That reproach is apparently valid.

[Karpychev] Where did the idea of charters originate?

[Samoylov] As everyone knows, in any federative state there exists a dual system of legislation. There is general federal legislation and there is legislation for the individual states (in the United States), or for the individual "Lands" (in Germany). Whereas the basic law of the country is comparatively small in volume, the regional laws very often exceed it with regard to the number of words. One should not be surprised at this, since they specify in detail the mechanisms for internal life. But one also sees in this the manifestation of respect and tact for the subject of the Federation. The federal constitution has been called upon to define the exclusive principles,

but everything else is regulated and treated in the greatest detail by the individual states themselves. The preparation of charters in the krais and oblasts of the Russian Federation is not something that was invented by someone, or an instrument for playing up to the regions. It is a normal constitutional path.

[Karpychev] But what if a particular region does not want to adopt a charter?

[Samoylov] Then it doesn't have to. There's nothing mandatory about this. But there does exist in the outlying areas a need to have a basic law for the kray or oblast. A person in the military, for example, can go out into the street and leave his cap at home, but he will immediately encounter problems with other people in the military who meet him. It is also possible to live without a charter, but things are better with it. As is attested to by practical life, without a charter a number of difficult problems can also arise with your associates. So what we have here is a precisely stated system of relations, and this is the main thing, because people cannot live in society without this kind of system.

[Karpychev] Does the adoption of a charter resolve to any degree the problem of local self-government?

[Samoylov] As far as local self-government is concerned, its general principles are defined by the federal authorities. It is those principles that must be stated first of all in the kray or oblast charter. But, on the other hand, historical experience has accumulated on the territories. For example, in a number of regions of Russia the *zemstvo* system was strongly developed; in a few places the "Cossack circle" enjoyed authority; and in a few places there were national forms of the *kurultay* form. Historical experience can be relied upon, and there is nothing terrifying about that. The most important thing is that the oblast charters do not engender conflicts. Russian society is well aware of their price.

### Supply Problems Continue To Plague Far Northeast

944F1177C Moscow IZVESTIYA in Russian 4 Aug 94  
p 4

[Article by journalist Nataliya Ostrovskaya, under rubric "Eastern Arctic": "When There Is No Money, There Is Room for Heroism: This Winter People in the North May Be Left Without Food and Heat"]

[Text]

### The Fleet Goes Home

"Effective 1 August 1994 the Far East Maritime Steamship Company begins to curtail its shipments to the area of Chukotka and the Arctic and to withdraw the fleet operating in Chukotka." That categorical telegram was sent from Vladivostok to Moscow to several addresses: to Minnats [Ministry for Affairs of National Minorities

and Regional Policy], Mintrans [Ministry of Transportation], and personally to Chernomyrdin. What happened?

Aleksandr Nazarov, administration head of Chukotka Autonomous Okrug, dashes about various Moscow corridors in the search for funds to deliver vitally important cargo to the territory for which he is responsible and which, it would seem, no one in the country needs. The capital remains silent...

Removing the fleet from the North at the height of the traditional annual Arctic navigation season is definitely an emergency situation. However great the exodus of people from those God-forsaken places, there are still people living here. Consequently, they have to live somehow: they need something to eat and something to heat their dwelling with during the harsh polar winter.

The steamship company, which became a joint-stock company last year, has had its historically-influenced difficult and good relations with the North. The decision to begin work in Chukotka even though there was absolutely no money was by no means accepted unanimously by everyone in the state. But all of that was accepted. For more than a month, transport ships headed by the "Ivan Moskvitin" icebreaker worked at an economic loss to the enterprise. Moreover, the seamen worked alongside of the local residents to unload the cargo while standing up their knees in cold water.

But a steamship company also has to live, and preferably at a profit. But everything is just the reverse in the Arctic: the state has not yet settled with the seamen for last year's navigation season (the state owes them 15 billion rubles) and no one knows whether it will give compensation for the current "Chukotka expenses" (almost 20 billion rubles).

Meanwhile, judging by recent statements made in the course of a business trip to the Far East by Nikolay Yegorov, minister for affairs of nationalities and regional policy, "the situation in the North is serious, but not catastrophic."

First of all, the minister reported, the territory has already received monetary funds from the state budget in the amount of 810 billion rubles—to be used for bringing in fuel, petroleum products, and consumer goods, and also for paying off last year's debts, including those to this very steamship company.

Secondly, here in Maritime Kray, the active accumulation of cargo is under way, and that cargo will be sent to the proper destinations any moment now.

Thirdly, Minfin [Ministry of Finance] has been given the responsibility of allocating in August, for the purpose of taking cargo into the East Arctic and rayons of the Far East that are equated to rayons of the Far North, 2.3 trillion rubles.

Nikolay Yegorov also remarked that there will not be any mass evacuation of people from the North, that the complete and utter exodus that the newspapers write about simply does not exist, and that the new mastery of the Arctic will cost the state much more than the current providing of the Northerners with everything they need.

#### **Even the Biggest Optimist Won't Be Spending the Winter in Chukotka**

Before sharing this optimism, let us ask a few questions.

If hundreds of millions of rubles not only have been allocated, but already have "arrived" on the territory, why did the "chief of Chukotka" fly to Moscow, and why doesn't he have any money with which to settle with the steamship company? At the same time, in the words of Georgiy Pikus, first deputy chief of DVMP [Far East Maritime Steamship Company], two mines—the Beringovskaya and the Anadyrskaya—that supply practically all the ports and port stations as far as Pevek are ready to present for shipment something of the order of 600,000 tons of coal. All you have to do is come and get it. But, once again, there is no money. Now, with the departure of the transport ships from here, there will simply be no one who can deliver the coal to the settlements.

True, Nikolay Yegorov is putting his hopes on certain foreign transportation companies with which several territories apparently have some kind of agreements. But somehow these hopes do not fit into the overall picture of lack of money, when people see very little currency, or even the traditional wooden money. And, in general, what sense does it make to deposit tremendous amounts of funds, including those in currency, in the accounts of foreign shipowners, at a time when there are debts to our own shipowners? Incidentally, there is nothing new about this: a similar situation has been developing in recent years in the market for shipments of imported grain to Russia, when a foreign fleet is chartered for hundreds of millions of dollars, while our own fleet is looking for work and is still waiting to be paid on old debts. But that is a topic for separate discussion.

#### **People Do Not Want To Work on Credit**

And now as for the accumulation of Northern cargo shipments in Maritime Kray. Whereas last year at this time there was something of the order of 60,000 tons, currently it is approximately 8000. Like the seamen, neither the railroad workers nor the suppliers want to work on credit anymore.

The information received at the steamship company once again is at variance with the ministry's. It is reported that today, in early August, absolutely nothing has been delivered to the eastern sector of the Arctic, with the exception of Chukotka. As the seamen say, it's zero delivery. Maybe the people in Moscow have forgotten (or maybe they do not know) that, whereas ship caravans can get to the settlements of Provideniye and Evgekinot as late as October, the acceptance of cargo in

the ports of Indigirka, Tiksi, and Zelenyy Mys is possible only until 20 August. So, in this completely natural situation, what good are the assurances from Minnats to the effect that Minfin has been given the responsibility of allocating 2.3 trillion rubles to be used for delivering Northern cargo in August?

So the money is on its way, but for some reason it doesn't get here. The cargo is accumulating, but, as usual, at an insignificant rate. There will not be any evacuation of people, but at a recent meeting with journalists Yevgeniy Nazdratenko, governor of Maritime Kray, stated: the kray is ready to accept an incalculable number of Northerners and to provide them with housing and work. And one of the members of a delegation headed by Minister Yegorov stated with enviable conviction that "resettlement in the meridional direction"... is beneficial for the health."

All this would be humorous if today tens of thousands of the most able-bodied residents in the Arctic were not sitting on their suitcases awaiting meridional or other resettlement. If deserted, well-appointed homes did not gaping empty windows. If the administration heads of the northeast Russian territories did not "bombard" Vladivostok with telegrams requesting the delivery to their "zones" of ordinary—empty—containers: people need something in which to ship out all the belongings that they have acquired in the North...

#### **Wave of Attacks Against Politicians in Vladivostok**

944F1177D Moscow IZVESTIYA in Russian 4 Aug 94 p 2

[Article by IZVESTIYA correspondent Natalaya Ostrovskaya, Vladivostok: "Abductions and Beatings—The Everyday Life of Politicians in Vladivostok"]

[Text] In the evening between 2 August and 3 August ex-mayor Cherepkov was abducted on the street by several unknown assailants. A sack was thrown over his head and he was thrown into the trunk of a car and driven to the outskirts of the city. There he was beaten for a long period of time, but the perpetrators did not finish the job: Cherepkov managed to escape...

The next morning a neurologist-surgeon in the clinic of the city hospital where the victim went for help established a brain contusion and other signs of a beating and recommended hospitalization. Viktor Ivanovich declined the recommendation that he become an inpatient and went home to recuperate. The Pervomayskiy Rayon procuracy in the city of Vladivostok initiated a criminal case. Now, in order to guarantee round-the-clock protection for Viktor Cherepkov, he has been assigned a guard—one of the employees of the local criminal investigation division.

The procuracy (this time, the kray procuracy) had received yet another statement a day earlier from Vladimir Gilgenberg, Viktor Cherepkov's former first

deputy. He too had been beaten to the point of having a brain concussion. On the night before that attack, Gilgenberg, who had been dismissed three months previously ("for reasons of reduction in force"), had been reinstated in his job by court decision. Considering the fact that, according to law, every court decision has to be executed immediately, Vladimir Aleksandrovich went back to work on Monday. But not only was he not allowed to go any farther than the militia duty desk near the entrance to the mayor's office, but Lieutenant I. Gramotin employed a combat karate move against him. Once again a visit to the doctor and to the procuracy.

The theater of combat actions that has currently developed in Vladivostok around the local removed and reinstated politicians is augmented by an episode that touches upon Konstantin Tolstoshein, who is currently the acting mayor. Certain hoodlums broke the windows in the building of the city administration and threw in a note addressed to Konstantin Borisovich, threatening him that his days were numbered. However, unlike the two previous incidents, the matter ended there.

#### **Ingush President on Prospects for Economic Revival**

944F1209A Moscow MOSKOVSKIY KOMSOMOLET in Russian 27 Jul 94 p 2

[Interview with General Ruslan Aushev, president of Ingushetia, by Andrey Lapik; date and place not given: "An Economic Miracle for 650 Billion"]

[Text] General Aushev became president of Ingushetia a year and a half ago. A country ruined, backward, and at war with its neighbors. Streams of refugees, abandoned villages, idle oil wells. Neither its own industry, nor transport, nor communications. And something needed to be done with all this...

The war in Ingushetia has ended. However, economic problems have remained whose solution will be more complicated than gaining victory in battle.

[Lapik] Tell me, Ruslan Sultanovich, is it difficult for a general to be president?

[Aushev] It is difficult for anyone to be a president, not just for generals. Especially under our conditions. I realize that it is a good thing to be president of the United States or France. Laws have been functioning for a long time there; everything has been organized for a long time there. Not personality but society plays a role there. There is a way of doing things that has been worked out over the centuries. Whoever is president, nothing will change for the worse there. But with us, unfortunately—both in Russia and in the regions—personality plays an enormous role.

But my profession is the military... I am grateful that it has taught me the principles of management. This helps, of course. However, soldiers do well where there is bureaucratic administration: to give orders, to ensure

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control and strict responsibility, and to punish those who are negligent. This works well with us. But today, one would like market relationships to develop in Ingushetia. And it is more complicated to work, of course. Many things have to be learned all over again...

Aushev's advisers have suggested to their president a completely nonstandard way out of the economic dead end in which the republic has found itself: to declare Ingushetia a zone of favored economic status, exempting all enterprises being registered here from local taxes. The Russian government and president have agreed with this.

Something like an off-shore zone has been the result: Enterprises registered since 1 July in Ingushetia operate where they like, engage in any activity not prohibited by law, and pay four times less taxes—only to the federal budget. At the same time, Ingushetia receives a fixed fee in dollars for the registration of enterprises and a budget loan in rubles. Some R150 billion this year and about R500 billion next year. This money will return to the Russian budget in the course of the year as receipts of taxes from "Ingush" enterprises, and, within 10 years, Ingushetia will pay off its debt a second time—with interest.

[Lapik] It is certainly also difficult for the president of Russia to guide the state. He is often criticized for giving out various privileges, etc., to the regions. What do you think, will Russia lose much because it has granted Ingushetia the status of an off-shore zone?

[Aushev] It will lose nothing. Russia is not a monolith. All of it is made up of regions. The stronger the regions, the stronger Russia will be. The state itself will be stronger.

And we haven't thought this up—this is world experience. Take Hong Kong, Singapore, the Chinese free enterprise zones.

But Ingushetia... Who has experience in building a new republic? There's no experience whatever. When the republic was formed in 1992, the president should have allotted funds and said to the government of Ingushetia: Here is the time period for you, here are the funds—create your own state system. But this did not happen...

We asked for money—no funds in the budget. Then we asked "to go it alone": Give us the opportunity to start working ourselves, to create a mechanism that will ensure an influx of capital into the republic. Both Boris Nikolayevich and Viktor Stepanovich and many ministers were in our country. They themselves saw that the republic is starting not even from zero but from minuses.

We inherited a completely crushed territory, which no one had governed for practically two years. The Chechen Republic had been formed, but it was as if the Ingush hovered in the air. Plus the tragedy that took place in 1992...

Today, there are 70,000 refugees in the republic, the entire population of which is scarcely more than 300,000 persons. Some 56 percent of the local population is unemployed. A fulminating mixture emerges, which can explode at any moment.

Before, when there was a Soviet Union, Chechens and Ingush went away to Siberia, organized brigades, built farms and plants, and there were something like agreements. Today there is none of that. Production capacities stand idle everywhere. Workers are not in demand. And today we need to quickly create the production units that would employ these people. They would be given an opportunity to work and to feed their families. If there are no funds to help the republic directly, then the most logical thing is to grant privileges.

[Lapik] But, nevertheless, the Russian budget is deprived of some amount with every privilege. Tell us, are the expenditures that are now being undertaken adequate for the political stabilization that, possibly, will then come to Ingushetia?

[Aushev] Of course they are not adequate. Even greater efforts need to be undertaken in order to stabilize the situation. This is one of the mechanisms. Political efforts are also still needed. But, of course, the economy is the main thing. You see, rich people seldom quarrel. People who are satisfied and have their own house and work—what is this for them?

The conflict in 1992 was not a conflict between Ossetians and Ingush—the people did not fall out. It was a conflict of power: One power wanted to hold on and the other to come into existence. And what is power? It is the chance to control resources, property and finances, and to share—to give to some and not to some... But the Ingush lived with the Ossetians as they will always live. One simply needs in any conflict to look for questions of an economic character. They, naturally, have been veiled. And the slogans can be any...

If the Ingush had had an absolute right to work in Northern Ossetia, no one would have been indignant. But, there, already from the moment of the restoration, from 1957, they did not provide work, they did not furnish a residence permit, they did not allow one to build. Official positions that had even some importance—they also did not give. This secret edict that the Ingush need to be somehow kept down, also, you see, is economic in nature...

[Lapik] But now you have a real opportunity emerging to create the basis for development yourselves. What priority directions in the economy are you assigning? Where will these billions of rubles be invested?

[Aushev] First—infrastructure. Communications and transportation. An airport needs to be built. Our airplanes are now flying already. But we want to have international lines, to fly abroad.

Second—the petroleum complex. Wells need to be restored and new deposits developed. Plus the capital. It needs to be built yet. Moreover, we want something that is our own, not like other cities—with Caucasian ornamental design and the spirit of our people. So that Khrushchev-era houses would not stand alongside glass and concrete.

[Lapik] All anew? Like in the Arab Emirates? But do Ingushetia's natural resources permit it?

[Aushev] Of course, they permit it. We have all there is to live richly. Oil and gas and timber, potassium salts, marble...

[Lapik] What number of jobs do you propose creating in the next two years?

[Aushev] We ought to reduce the stress by about 30 percent. I think that the capital will take very much of the work force. We have ravines and alpine meadows. Much needs to be invested there and a road built. Meat, hides—hosts of sheep and cows go there—this means animal husbandry and processing.

Of course, other regions of Russia are also rich, each in their own way. But it is a completely different situation in Ingushetia. It is easier for other regions. They have a historically created economic base. Nizhniy Novgorod, let's say—there is no comparison. And we have found ourselves on such a level that in Ingushetia there was not even a single industrial enterprise. Everything remained in Groznyy. We need to create everything anew. The president, I think, has done a great thing in signing this edict.

[Lapik] How are your relations with President Yeltsin developing, especially as in October you apparently found yourself on different sides of the barricades from him?

[Aushev] We have normal working relations with the president. Boris Nikolayevich was the initiator of this agreement. The President is the president. Every person who respects himself ought to work for the president. If I am not in accord with him on something, then I am obliged to go and say: I cannot work with you. And leave the political arena. But once I don't leave, well then, I am in agreement with the policy the president is carrying out. That's the first thing.

And second. I went to the White House in order to get people out. We had gathered in the Federation Council, and they told us that there are dead and wounded. The Afghan syndrome... I am a combat general and I cannot remain on the sidelines when people are being killed. It is all the same whether they are Russians or citizens of the other republics—all conflicts need to be resolved peacefully. Now I call for stabilization. But then I went to save people, and I could not act otherwise. What turned out well turned out well. Thank God that more blood was not spilled there. My task was for people to stop shooting and get out the dead and wounded. You

see, there were not only politicians there but also women and children and staff—hundreds of people. Ordinary people guilty of nothing...

[Lapik] In its time, they talked about the Kalmyk economic miracle. But no one remembers Kirsan Ilyumzhinov's position any longer. Does the same fate await the "Ingush miracle"?

[Aushev] I think that there ought to be both a Kalmyk and any other economic miracle. We must build the regions up. And the president and the government acted correctly when they rose above considering what one or another political leader said or how he conducted himself. Presidents come and go, but the people remain on this earth. We should look to the future. One needs to readjust, argue, and prove if one does not agree. The Federation Council exists for that. We have the Council of the heads of the republics for this and other opportunities to look into our relationships. But the people must live.

You ask whether there will be an "Ingush miracle." We are doing everything for it to happen. Perhaps not a miracle... We want simply to catch up with all the rest. And we want it to happen more rapidly.

[Lapik] Do you associate with President Dudayev?

[Aushev] We have excellent relations. We phone and we resolve problems. Take the last two instances of the seizure of hostages. They came to me, I called Dzhakar Musayevich, and we quickly organized help to the Stavropol organs having jurisdiction. And, as a result of decisive actions, the criminals were arrested. And then, you see, we have a common economic system. One can talk about an individual republic but the entire economic structure was built in such a way... Both in Russia and in the Caucasus it is tightly integrated. And today many of our things operate indivisibly: the petroleum complex, communications, etc...

[Lapik] As is known, Chechnia imports very many goods duty-free. But, Ingushetia today does not practice such importation. In connection with the signing of the presidential edict, have some kind of tax abatements for the importation of goods been provided for?

[Aushev] There are indirect tax abatements. This question is being examined in the Customs committee. We want everything to be legal so that later on there should not be any claims against Ingushetia. And, as a matter of fact, it is not at all difficult to create an abundance of imported goods.

[Lapik] What country do you like most, apart from the motherland, naturally.

[Aushev] I have been in many countries. I like individual states in America. North Carolina, for example. Of course, for beauty and everything being well-groomed, Switzerland, Sweden...

[Lapik] What do you think, can Russia become a country that others will like?

[Aushev] Of course. One needs only to work. Not live for a single day but add to one's armory all that has already been developed, apply our special characteristics—and go forward. And then Russia will be a rich power. But Russia, I repeat, consists of regions. And they all are different. That is why one does not want such strong centralization.

Nowhere in the world do they manage the economy from the capital. Does the President of the United States or the Japanese prime minister really engage in this? A government changes, but, just as the economy has functioned, so now it functions. We need to create such a mechanism. The reforms that have begun need to continue. Of course, not all is right. But there is no going back, one needs to go forward.

[Lapik] In your opinion, is the economic and political situation developing for the better or for the worse?

[Aushev] Well, today no one is waging war in earnest in our country, thank God. People are working. One needs, I repeat again, to deal with the economy more rapidly. To create conditions that would contribute to its development. That is the state's main task.

And here, of course, there is an area of activity for the Federal Assembly. There wasn't any need to give half the seats to deputies from the parties. That is an unfortunate experiment because of which many questions are being obstructed. As a Federal Assembly deputy, I can say that we met for half a year and did not resolve those questions that would help the regions...

[Lapik] How many hours does your working day take?

[Aushev] I don't work less than 12 hours.

[Lapik] Where do you spend your holidays?

[Aushev] I have not had a holiday for a long time. I usually rest in the morning, when I engage in sports, and in the evening when I free myself from work. I watched the World Cup soccer. And on Sundays after dinner—sports, meetings with friends, etc.

[Lapik] You are considered to be one of the politicians who knows how to dress elegantly. But when did you wear a military uniform last?

[Aushev] Quite recently, when it was Memorial Day—the start of the Great Patriotic War. As always, I laid flowers at the memorial to the Unknown Soldier.

[Lapik] Do you have a large family?

[Aushev] I have three children. Still youngsters. On the whole I think that the wife should bring up the children—there is no need for her to work.

[Lapik] You live in a house or an apartment?

[Aushev] In a house.

[Lapik] Most likely, there is some kind of poultry?

[Aushev] There was last year. But, the winter turned out cold, and the wife chopped them all up for borsch.

[Lapik] When did the wife treat you better: when you were a general or when you became president? What service did she like more?

[Aushev] The wife doesn't have these problems. She treats me like a husband.

[Lapik] You are not yet 40. How much of a political life have you intended for yourself: until the end of your powers or...

[Aushev] On the whole, I did not want to be in politics. I became president during the grave situation of 1992. And, when we announced elections in conformity with the Constitution, on the whole I did not want to be a candidate. But, since they elected me for this post all the same, I will work for the period they have assigned me.

I am not one of those who like to feel themselves to be a great chief. I was a Hero of the Soviet Union at 27. My glory was long ago, and I am not very ambitious. I had a good job—I dealt with the problems of the veterans of Afghanistan. And I think that this help to my comrades is the most sacred thing that one can do.

[Lapik] You have a dream?

[Aushev] Of course. My dream is for the republic to be such that one would not be ashamed to say that you are from Ingushetia, would not be ashamed to invite guests, and would not be ashamed before one's neighbors. So that they would come from abroad and be envious. We have great potential. Many do not even know the uniqueness of our traditions, customs, and character. They say—the faces of Caucasian nationality are the Chechens and the Ingush... But they do not know the essence.

[Lapik] Yes, various rumors are going around about the Caucasus. For example, that slave labor is being used... Are these fabrications, or was there something all the same?

[Aushev] Yes, I saw such a topic a couple of months ago. I can even invite to the republic. There are such people... well, how to put it... our economy is such that many people have been abandoned. And they come, including to Ingushetia. But the Ingush can not abandon a person (this also is a character trait). And these people will remain. But can't they simply lie around doing nothing? Just as the Ingush, our people, went to build farms, so also are they arranging about working for some amount.

When the first such warnings came, we dealt with this. We began to export such people. But they are coming back. Are they really slaves? I consider slaves those who work in production and do not get paid for five to six months. Their labor is not valued at all. But the one who voluntarily consents to work is altogether different.



[Lapik] What don't you like most of all in people?

[Aushev] I don't like when they deceive and when they say one thing but do another.

[Lapik] And what do you consider a man's most valuable quality?

[Aushev] Generosity.

### **Ingushetia Political, Economic Situation Deteriorating**

944F1184A Moscow NEZAVISIMAYA GAZETA  
in Russian 29 Jul 94 p 3

[Article by Natalya Pachegina: "Social Upheaval Awaits Ingushetia; This Is What Moscow Scientists Predict"]

[Text] Hysterical patter on the background of ancient guard towers, rapid mountain streams and panoramas of nameless buildings which evidently, according to the plans of "Ostankino" film clip makers, are supposed to symbolize the rebirth of the Republic of Ingushetia and stimulate investments in its economy, has not only not become a serious competitor to the "MMM" "people's heroes," but has also turned the tragic situation which has arisen in the Republic into a farce.

Its economic aspects are fully definable, since they are practically not associated either with the "willful" decision on formation of the republic or with the armed conflict with its neighboring North Ossetia which the people of Ingushetia have endured. These events have merely forced it to focus attention on the total absence of any production there. The "Elektroinstrument" plant and the tricot factory in Nazran, the chemical reagents plant in Karabulak, plus a few enterprises of the oil complex with 60 percent outdated equipment from the former Checheno-Ingush ASSR in Malgobek, Karabulak and Voznesensk—this is what little the Republic has received for "acquisition". The disruption of economic ties between the regions, sectors and enterprises which characterizes the current state of the economy of the Russian Federation, naturally, could not help but be reflected in the Republic's economy. In the first quarter of last year, the Republic of Ingushetia closed out the list of the country's regions on all indicators of socio-economic development. For 1993 the decline in production comprised 61 percent. For the period of 1992-1993, production output declined by 50-60 percent, and its nomenclature list declined by 30-50 percent. Even today the Republic has the lowest level of monetary income of the population among all the subjects of the RF [Russian Federation] in the North Caucasus region, and the lowest living standard. Ingushetia is the "leader" also among the Russian territories with a high percent of general illness rate (here it is 20-25 percent higher than the countrywide average). The rate of mortality and illness from tuberculosis is 15-20 and 50-60 percent higher, respectively, than in other regions of the RF.

The socio-political situation in Ingushetia, aggravated by the fact that there are 63,500 refugees and forced migrants living there who left North Ossetia in 1992 in the period of armed conflict on the territory of Prigorodnyy rayon of the Republic, has become the subject of a study conducted by a group of Moscow scientists at the Center for Sociology of Inter-Ethnic Relations of the Russian Academy of Sciences Institute of Socio-Political Studies [RAN ISPI]. Unlike the financial philanthropists, which, it seems, are in no hurry to bestow favor upon this region, the scientist-sociologists believe it necessary to focus the attention of federal and regional authorities and departments of the social-cultural center on the situation in the Republic. The results of a sociological survey conducted by them in Ingushetia in April-May of this year among the population of the Republic, including the refugees and forced migrants themselves, as well as those who by their type of work are engaged in settling the migrants in the Republic, as one would imagine, are of unquestionable scientific and practical value.

Noting the huge political, economic and moral loss inflicted by the migration of the population of the former USSR, and viewing it as one of the significant factors in the escalation of tensions in the regions of the Russian Federation, the scientists at the Center for Sociology of Inter-Ethnic Relations of the RAN ISPI, as is apparent from the survey data, predict a social upheaval in Ingushetia which may entail the most serious consequences in a region which is already unstable in many other ways.

According to the data of the RI [Republic of Ingushetia] migration service cited in the work of the Moscow scientists, displaced citizens are housed primarily in private homes of local residents, and others—in buildings of kindergartens, schools and clubs. The local population and the displaced persons experience discomfort due to the prolonged joint habitation of a large number of people in small areas, which do not meet sanitary standards. There are cases of outbreaks of infectious diseases. In the refugee villages there is often no electricity, water, heat or gas supply, and nutrition centers are not organized everywhere.

In the period from the start of the armed conflict through November of 1993, the RF Federal Migration Service has allocated 900 rubles (R) in two months (for November-December of 1992) for each migrant, and R1,800 in the subsequent period. Along the line of humanitarian aid, the refugees have been given a one-time subsidy in the amount of R100 per person.

The psychological situation in the Republic, which may be defined, in the opinion of associate of the Center for Sociology of the RAN ISPI, Candidate in Philosophical Sciences Irina Ladodo, by the character of attitude of the local population toward the migrants and by the degree of readiness of this population to participate in the resolution of their problems, is on the whole negative.

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Thus, no more than one-fifth of those surveyed expressed a "positive" and "rather positive" attitude toward co-existence with the migrants. 21 percent of the respondents were undecided in expressing their attitude toward this phenomenon, and about 2 percent, according to the survey data, were indifferent to having the migrants as neighbors. However, more than half of those surveyed said that they do not approve of newcomers coming to their rayon. Moreover, Irina Ladodo notes, the degree of negativism is rather weakly associated with the national affiliation of the respondents or with whether or not they have relatives among the refugees. At the same time, the "weariness" of the local population from the "cramped conditions," explained by the difficulties of everyday life, nevertheless does not mean that they do not want to take part in the organization of aid to the newcomers: Most of the population of Ingushetia (75 percent) believe this help is necessary. At the same time, I. Ladodo believes that the degrees and forms of participation in the fates of refugees is explained first of all by the national uniformity of the stream of migrants and, secondly, by the common fate of the accepting side and the incoming refugees, 90 percent of whom are united by the heavy toll of the last war.

However, readiness to participate in help to the migrants, the scientists note, certainly does not exclude the possibility of its rejection. Largely because the absence of prospects in solving the problems of the refugees, along with the far from prosperous existence of the local population itself, people are forced into everyday heroic deeds, for which even the hardy Ingush people are not too well adapted. In the opinion of the scientists, the influx of the migrants has seriously complicated the life of the citizens of Ingushetia themselves. As the survey data show, 65 percent of the local residents note an increase in unemployment, 66 and 74 percent of the respondents point out a shortage of housing, food products, educational and children's institutions, and 7 percent point out the growth of crime associated with the influx of refugees and forced migrants into the Republic. Even more critical, as the survey results showed, in regard to the social consequences of the influx of refugees into the Republic are the services engaged in their settlement.

Both of these surveyed groups (from the local residents and experts) were practically unanimous on the question of the method of resolving the problems of the refugees. In the opinion of the absolute majority of one and the other, conditions must be created for returning the migrants to the place of their former residence. The primary responsibility in this, the survey notes, rests with the president and the government of Russia. It is curious, notes Irina Ladodo, that the potential for leadership of Ingushetia in this plane is evaluated by the Republic's population as being rather low. Citizens are even less optimistic in awaiting coordinated actions by all interested parties, good will by the leadership of

North Ossetia, and constructive input of the world community into the protection of civil freedoms of the Ingush.

The studied group of citizens—the refugees—also do not feel too cozy in the Republic under the conditions of absolute deficit, as the results of the sociological survey by the Center on Sociology of Inter-Ethnic Relations of the RAN ISPI show. Characterizing the attitude toward them on the part of the local population as being compassionate in most cases (94 percent), they note that in time this attitude is deteriorating.

Using the example of the refugees and forced migrants in Ingushetia, the work of the Moscow scientists is recording an increased harshness of the process of migration on the territory of the former USSR due to a narrowing area of accepting regions, scarcity of material means and absence of a social-legal base for protection of the migrants. The Ingush respondents (97 percent) were not satisfied with the activity of the president and the government of Russia. Their complaints aimed at the country's parliament were slightly fewer—91 percent were unhappy with its lawmaking activity, and 92 percent of those surveyed have an "account" with the leadership of North Ossetia. Ingush refugees, we might add, in answering the question, "Does the temporary administration protect their interests?", in most cases (74 percent) answered "no." Only 17 percent of them noted that sometimes it does. Reserving for themselves a passive role in the question of resolving their fate, over half of the respondents in Ingushetia expressed dissatisfaction with the activity of the migration service.

The overwhelming majority of newcomers (93 percent of those surveyed) plan to necessarily return to the place of their former residence. Moreover, the younger generation and persons who are not tied down with a family (in the sum of 30 percent of those surveyed by groups) among the refugees believe it possible and lawful to use forceful actions in the situation which has arisen.

Noting that all ethnic conflicts in the North Caucasus region are based on territorial disputes, the Center for Sociology emphasizes that under these conditions the mind set of the refugees of Ingushetia to necessarily return to their former place of residence not only intensifies the psychological discomfort of the migrants themselves and aggravates the situation in the region, but also predetermines the complexity of solving the problems of repatriation of the Ingush in the near future.

#### **Tatar Vice President on Treaty With Russia**

944F1231A Kazan IZVESTIYA TATARSTANA  
in Russian 10 Aug 94 pp 1-2

[Interview with Vasiliy Likhachev, vice president of the Republic of Tatarstan, by Marina Medvedeva; place and date not given: "Tatarstan's Experience Is International"]

[Text] It is today exactly six months since the signing of the treaty between Tatarstan and Russia. What have they shown, and how justified is this document proving for our republic, for the Russian Federation, and for the international community?

These and other questions were answered in an interview with an INTERFAX correspondent by Vasilii Likhachev, vice president of the Republic of Tatarstan.

[Medvedeva] Vasilii Nikolayevich, you have spent three years as vice president of the Republic of Tatarstan. With your direct participation, the negotiating process between Tatarstan and Russia has lasted just as long. How has this time been notable for you?

[Likhachev] In this short period the republic and its official structures, the vice president included, have traversed a very complex and significant path. The adoption of the Declaration on the State Sovereignty of Tatarstan, the preparation and adoption of the constitution, the negotiations with the delegation of Russia, the signing of the bilateral treaty and agreements—these events would be entirely sufficient for the rest of my life. Involvement in them brings not only purely human but also professional satisfaction—it is not every theorist in law that succeeds in obtaining practical results of his activity. Tatarstan's experience is today becoming a subject of study in legal, economic, and diplomatic educational institutions. The Tatarstan-Russian negotiating process and the actual treaty on the mutual delegation of authority and the delineation of terms of reference are attracting the attention of many political forces, public organizations, and states of varying ideologies. Tatarstan's experience is being studied and adopted both by republics within the Russian Federation and countries of the near and far abroad. This is borne out by recent meetings with the leadership of Crimea and Abkhazia, which is interested in a settlement of relations with Ukraine and Georgia. Such interest was displayed also by Alexander Ben-Tzvi, Israel's charge d'affaires in Russia ad interim, who visited Kazan and examined the Tatarstan-Russian compromise in relation to the Palestinian-Israeli conflict. There are also other examples testifying that there has been a change in the public consciousness and that Tatarstan is perceived as a republic that has recognized and realized in a treaty the modern trends of life in politics and constitutional law.

[Medvedeva] Has the treaty helped remove the tension that existed between Tatarstan and Russia at the time of the negotiating process?

[Likhachev] The appearance of the treaty has precluded attempts to speak with Tatarstan from a position of strength, in the language of diktat, economic included. In this sense the treaty has performed a revolutionary role in the restructuring of the thinking not only of the top Russian leadership but of other structures of the big managerial machine also. In the course of the negotiating process Tatarstan was, figuratively speaking, a locomotive that speeded up or slowed down. But we would not

have made such progress without the involvement of our negotiating partners. Over three years Gennadiy Burbulis, Sergey Shakhrai, Valeriy Tishkov, Yuriy Yarov, and other representatives of the Russian leadership endeavored to understand the position of the Tatarstan delegation, whose proposals were of all-Russian, all-state significance.

It is obvious today that the treaty is a firm barrier to any attempts to transfer relations with Tatarstan to a plane of relations between subordinate and superior. The treaty has predetermined that Russia may exist as a democratic federation only provided that it interact with its components on the principles of equality. But it has to be mentioned that there continues to be opposition to this document on the part of certain Russian oblasts and regions. It is for this reason that the provisions of the current Constitution of the Russian Federation, specifically, the final clause of Article 11, which was included at the suggestion of Tatarstan and deals with the regulation of relations of the federal authorities and the components of Russia via treaties delineating powers, should be realized. It must be emphasized that in the past three years we have created merely a base for serious and broad-based work in the future on the reform of the Russian Federation and the formation of the new statehood of the Republic of Tatarstan.

[Medvedeva] What problems have to be tackled following the culmination of the negotiating process—the signing of the treaty—in the course of regular Tatarstan-Russian consultations?

[Likhachev] The treaty was signed six months ago, but we are increasingly disturbed by questions connected with its realization. It was difficult preparing the text of the treaty and obtaining the Russian side's recognition, but, thanks to the presidential "tandem" of Yeltsin and Shaymiev, this important political document obtained "certification." It is essential today to confirm the seriousness of the intentions of Russia and Tatarstan to develop their relations in the channel of democracy and reform. This is important for the political image of the two presidents and the leadership of Russia and Tatarstan as a whole and also for the achievement of the ultimate goal—the establishment of the idea of justice and the well-being of all peoples of the Russian Federation.

A special procedure is needed for realization of the treaty, as, earlier, for its preparation also. Organizational task No. 1 is the creation of a joint Tatarstan-Russian commission to discuss the broad range of issues concerning the treaty itself and the agreements that have been concluded and that are not always being fulfilled in full measure. Not so much economic as foreign policy matters will be the most complex area of the joint commission's activity.

Despite its traditional conservatism, the leadership of the Ministry of Foreign Affairs of the Russian Federation must understand that the reform of Russia from



below initiated by the treaty will require a necessary reconsideration of the activity of this body. Officials of the Russian Ministry of Foreign Affairs are as yet unwilling to understand that Tatarstan has the right of direct outlet to foreign states, bypassing departmental control. Tatarstan is not insisting on the absolutization of this right specified by the treaty but is declaring the need for the creation of mechanisms of the coordination of foreign policy activity. Tatarstan has to negotiate a period of acquaintanceship in the world community. In spite of the naive notions of certain national organizations, it is insufficient for Tatarstan's recognition simply to raise the republic flag at UN Headquarters or some other international organization, although we should aspire to this. It is a very lengthy process. Tatarstan has begun it and is optimistically taking the first independent steps.

[Medvedeva] Questions of foreign policy are within the jurisdiction of the vice president of Tatarstan. How productive have the first steps in this sphere been?

[Likhachev] I will emphasize once again that Tatarstan may join the international community only in smooth fashion. Political, even purely informational, contacts are needed initially, then the accomplishment of the most important foreign policy tasks—the attraction of investments and the creation of a stable system of relations with foreign contractors—will begin. Unfortunately, the negative phenomena in the Russian economic space frightening away Western and Eastern investors are being reflected in Tatarstan's position also. Despite this, foreign investors' interest in Tatarstan is gradually growing. There have been very many international contacts, but the state structures and the taxpayers of Tatarstan are concerned about their effectiveness. We should not at this stage be counting on a huge army of investors, it is important to select several serious projects and to show by their example the advantages of cooperation with Tatarstan.

For the development of trade and economic, scientific and technological, cultural, and humanitarian relations Tatarstan has already opened its offices in the United States, France, Lithuania, Azerbaijan, and Uzbekistan. It is planned to open consulates of Turkey and Germany and a cultural attache's office of France in Kazan. Tatarstan is cooperating with the United Nations, UNESCO, the WHO, and the IAEA. This work will continue, and I hope that potential foreign partners will appreciate the seriousness of Tatarstan's intentions.

[Medvedeva] In what way may advantage be taken of Tatarstan's experience in the determination of Russia's relations with countries of the CIS?

[Likhachev] We are all today experiencing a difficult political and economic period. The extraordinary tactical and strategic tasks that are arising here are prompting diplomacy, the diplomacy of Russia in relation to the countries of the CIS included, to rely on the best examples of world and national experience. It is

essential to make use of the positive capital accumulated by Russia in the resolution of regional problems, including the experience of the negotiating process between the Russian Federation and the Republic of Tatarstan and the current treaty and agreements. In my view, the technique of the approaches to a solution of problems is of interest here. It could be applied in the sphere, in which Russia's positions should be reinforced, in which it is designed to be the leader and integrator of socioeconomic, scientific, and cultural processes within the framework of the CIS. Life itself has demanded the internationalization of Tatarstan's experience.

#### **Tatarstan Oil Chief on Six-Month Figures**

944F1226A Kazan IZVESTIYA TATARSTANA  
in Russian 9 Aug 94 p 2

[Interview with Rinat Galeev, general director of the Tatneft joint-stock company, by Svetlana Lukashova, IZVESTIYA TATARSTANA correspondent; place and date not given: "Tatneft—Results of a Difficult Six Months"]

[Text] As IZVESTIYA TATARSTANA has already reported, a conference of the labor collective of the Tatneft joint-stock company was held the other day in Almyetevsk. It summarized the results of the first six months—one of the most difficult periods in the entire history of oil production in Tatarstan. The losses in these six months amounted to R2 billion. Out of 14 oil-producing enterprises, 11 turned out to be "in a state of bankruptcy." Rinat Galeev, the general director of the Tatneft joint-stock company, was asked to comment on the situation that has developed.

[Lukashova] Rinat Gimadelislamovich, it is known what difficulties the oilmen of Tatarstan had to go through in the first six months. If you look ahead three to four quarters, can you "see a light at the end of the tunnel?"

[Galeev] We clearly see a way out of today's difficulties. The most serious one, which we encountered for the first time, was the shutoff of wells that was caused by the refusal of oil refineries to accept oil. First of all, by the Kremenchug oil refinery to which we delivered high-sulphur oil. Of course, we were not alone in this. The Bashkortostan, Samara, Perm, and Udmurtiya oilmen, for whom a refinery was in fact built, also ran into a problem with oil refining.

Having become accustomed to answering for each tonne of oil extracted from the ground, it was difficult to get used to the idea of the need to stop producing. But, owing to the work of our specialists, it was possible to resolve this question.

We established our own representation at the Kremenchug plant, arranged firm contacts, and we are planning in the near future to lease at least part of this enterprise. There are no problems at this plant today with the smooth delivery of oil. As for the outlook for cooperation with Ukraine, we associate great hopes with the election

of Leonid Kuchma as president. First, I am personally acquainted with him. Second, our president and prime minister have very good relations with him.

A second very important problem that we ran into was nonpayments. The oil refineries are in debt to our enterprise for R356 billion. Which, naturally, was reflected in delays in the issuance of pay to the oilmen—up to several months. The situation is changing gradually, the pay for May was paid to all subunits, and, in the next few days, we will finally settle with the workers for June's work.

Today, a whole package of proposals for getting the joint-stock company out of the oppressive situation has been developed. It has been submitted to the president of Russia for review. We hope that the measures that we propose will be approved. In a word, after resolving these two difficult tasks, we will get out of the crisis we ended up in. And then we will already be able to work at full force on reducing the costs of production and increasing profitability. These problems are solvable, and this means that there is light at the end of the tunnel after all

[Lukashova] More and more people are becoming shareholders in the Tatneft joint-stock company, and, investing their money in the oil industry, they expect dividends. Can you inspire them with optimism?

[Galeyev] A closed subscription for stocks was conducted in the association from February to June. These securities have already been prepared and are in the bank. Out of 102,000 persons included in the preliminary agreement list for the acquisition of shares, 97,000 signed up, which amounted to only 65 percent of the shares from the portion due to the Tatneft collective. Frankly speaking, this is less than we expected. Apparently, the results were affected by the financial difficulties that we encountered in the first six months and by the lack of resources of the people, since they are not receiving their pay on time. Therefore, at our request, subscriptions have been extended to the beginning of next year.

As for those who have already bought shares, I am confident that they, being joint owners of Tatneft, are winning. Their children and grandchildren are also winning. Already today shares are being sold on the stock exchanges for practically double the price. And the price will continue to increase. Moreover, in this quarter, the shares of our joint-stock company will appear on the stock exchanges in London and New York. We are being given big support on this question by the founder of the European Reconstruction and Development Bank. Therefore, I especially advise the oilmen not to be in a hurry to sell the shares. While winning a kopeck now, it is possible to lose a lot in the future.

As for dividends, I will not undertake now to speak specifically when and in what amount they will be paid. It is first necessary for us to finally resolve those questions about which I have already told you. Nevertheless,

a board of directors of the joint-stock company consisting of four members was elected today. We plan to hold a meeting of the shareholders by the end of the year at which there will indeed be a discussion of dividends.

[Lukashova] A question was raised at a session of the Supreme Soviet of Tatarstan about the creation of a kind of half government structure resembling an oil ministry. The proposal did not receive support. What can you say in this respect?

[Galeyev] I was not in Kazan at that time; therefore, I do not know on what plane the discussion was held. But I am categorically against the establishment of such a ministry. In my opinion, we passed this stage long ago. Now the holding company Tatneftkhiminvestkholding has been created—Tatneft, Nizhnekamskneftekhim, Orgsintez, and others are part of it, and organizational structures are being established. I am convinced that the holding company has a future and that the company will resolve all questions no worse and even better than a possible ministry.

[Lukashova] The competition for the technical secondary school is now higher than ever before. Meanwhile, part of the enterprises of the joint-stock company are working on a reduced workweek schedule. A reduction in personnel is going on. How do you see the personnel question in the future?

[Galeyev] The personnel question was always one of the main questions for us. The Almet'yevsk Oil Institute has already been operating for two years, and it is training specialists for the oil branch of the Almet'yevsk and Leninogorsk technical secondary schools. There are close ties with the Moscow and Ufa oil VUZ's [higher educational institution]. We intend to continue this work. We are training and will continue to train our specialists abroad. The association needs talented and promising personnel. We intend to carry out a structural reorganization of the joint-stock company before the end of this year. We are bringing in very experienced foreign firms for this. The administrative apparatus will be reduced. Already today the temporary policy of not taking on people for work from other organizations, or of not replacing workers going on pension, made it possible to cut the staff by more than 6,500 persons.

The reduction in the volume of drilling by a factor of 4.5 lowered the requirement for drillers. Therefore, a majority of the drilling work operations are expecting a reorganization.

I must admit that we have not given enough attention to the program of creating new jobs. Although there is a noticeable increase in the output of consumer goods and the processing of agricultural products. We are creating new production, and we intend in the future to be concerned about the creation of new jobs, which will be required by the internal reorganization.

A lot has to be done yet for our new commercial structures—for the joint-stock bank Devon-Credit, the

insurance firm Chulpan, and for the recently registered check fund Devon-Invest. We would like to see in them the future powerful investors of the oil industry.

[Lukashova] What is your opinion concerning the prospects for cities and settlements of the southeast region whose prosperity is sometimes maintained only by oil production?

[Galeyev] The main thing is that the lion's share of those taxes that we pay to the state remains in the region. The people who breathe this air, drink salted water (although we are endeavoring to do everything possible to improve the ecological situation), deserve, undoubtedly, a better life than they have now.

Many in the region, especially the budgeteers, end up dependent on the oilmen. I have had occasion of late to hear words like this more than once: "We have finally sensed just what oil is." Stoppages in the work of the oilmen have affected the budgets of the cities. The condition of the whole region depends on our steady work.

I like Almet'yevsk, Bugulma, and Leninogorsk very much, and we will do everything possible in the future so that their condition will improve. It seems to me that in the last year or two, despite difficulties, we were able to use the oil that was produced for the benefit of the republic. Look, schools and kindergartens are already being built. But, we still need modern hospitals and sports facilities. We will continue to work on all of this without fail.

#### **Tatarstan Oil Complex Reorganization Urged**

944F1230A Kazan IZVESTIYA TATARSTANA  
in Russian 10 Aug 94 p 2

[Article by Bari Fattakhov, candidate of economic sciences, USSR Distinguished Oil Industry Worker, TatNIPIneft: "How We Should Reorganize the Tatarstan Oil Complex"]

[Text] In yesterday's issue of IZVESTIYA TATARSTANA we published an interview with R. Galeyev, general director of the AO [joint-stock company] Tatneft, on the subject of oil industry problems in the republic. Today this topic is continued by a scientist.

Tatarstan's oil industry today is far removed from what it used to be in the years of its peak—20 years ago. In those times, it was famous all across the country: state-of-the-art technologies, the highest rates of production, [line missing], the cheapest oil. Today the greatest and best part of the reserves has been extracted. What is left is mainly hard-to-extract, high-sulfur oil, whose extraction and refining involve increasingly higher costs. Which makes it uncompetitive in both the domestic and foreign markets.

The well stock, the oil production facilities built in previous times and equipment need modernization and

reconstruction or to be taken out of exploitation altogether. Numerous ecological problems have accumulated. These difficulties, which objectively arise at the late stage of development of any extraction industry, coincided in time with transition period difficulties: inflation, nonpayments, disrupted economic ties. Until a way out of this situation is found, it is hard to hope that Tatarstan oil will provide the utility republic citizens expect from it. And success in dealing with this problem depends first and foremost on the choice of correct directions of work and their timely, talented implementation.

How do we get out of this difficult situation; what are we to do, and where do we begin?

I can name several main priority directions: optimization of oil field development; improving the NGDU [Oil and Gas Extraction Administration] and AO Tatneft organizational structure; substantiation and coordination of selling prices for oil and tax rates; optimization of the republic oil complex as a whole and based on that, oil production plans; and installation of energy-saving technologies in production and in the housing and municipal services sector, keeping in mind that our product is three to four times more energy-intensive than in developed countries in the West. I would like to elaborate on some of these in more detail.

#### **Less Production but More Profit!**

Optimization of oil field development is done in two stages: putting together technological schemes and design of development and exploitation. In the past the main attention was paid to optimization of oil field development, and this was correct. Today, when we have on the books an enormous fund of drilled wells, optimization of oil field exploitation must come to the forefront. This task boils down first and foremost to ranking wells by their degree of profitability and developing geological-technical measures to bring them into the profitable category or, if this is impossible, taking them out of exploitation. It is also impermissible to begin new development of unprofitable facilities and drilling unprofitable wells.

Thus, optimization methods and criteria, taking into account market economy requirements and foreign experience in this area, will change fundamentally compared to the old ones. This methodology, as well as the set of programs for solving this task, have been developed at the TatNIPIneft [Tatarstan Petroleum Scientific Research and Production Institute] institute.

The results of research on optimization at a later stage of oil field exploitation are impressive. For instance, at one of the analyzed development facilities only 14 percent of producing wells fund are operating at a profit, 21.9 percent are idle, and 64.1 percent are operating at a loss. At the same time, 50.5 percent of wells account for only 12.6 of the total oil production at the facility, while its



production costs are 3.3 times higher than the average and 3.14 times higher than the selling price.

In a special category are those wells operating at a loss where the level of proportional released costs (that is, the sum of material and labor costs directly related to maintenance and repair of wells, production-related energy costs, field pipeline transfer and oil treatment, and contributions to nonbudget funds included in production cost of oil, which can be realistically saved—released—if the well is taken out of exploitation) are higher than the selling price of the oil after deducting excise taxes. Taking this category of wells out of exploitation can provide savings of up to R1.9 million a month per well. At the same time, this represents one of the most important ways of saving energy—cutting energy-related costs on oil production.

Keeping in mind that the AO Tatneft has on its books today thousands of unprofitable wells operating in the red, one can imagine the extent of savings that may be gained by taking them out of exploitation, even if wages continue to be paid to the personnel at these wells.

Let us add that there are numerous field tank farms, comprehensive oil treatment systems, and many other things in operation at old sites and fields, which were built in to support the maximum production level. Today these facilities are not operating at full capacity and many of them can be closed without any negative effect on production due to optimization of field pipeline transfer of the wells' output.

#### How To Cut Personnel

In the new conditions, the volume and nature of the NGDU and AO Tatneft administrative personnel's duties will change in a fundamental way, which means that the organizational structure needs to be changed drastically.

Based on foreign standards, if we keep the current rate of production, the AO Tatneft labor force needs to cut by more than half, and if we decide to close unprofitable objects—more than that. Naturally, mass personnel cuts over a short period of time are unrealistic. Therefore, a three- to five-year program must be developed so as to find alternate employment for released personnel who are not yet ready to retire. The government of Tatarstan will have to participate in designing such a program, since this will involve the creation of new jobs.

#### Prices and Taxes

Simultaneously with optimization of production, work needs to be done on substantiating and coordinating with the Russian Federation Government the optimum selling prices for oil and tax rates, keeping in mind that the oil industry today purchases material and equipment at world prices or close to them, while it is compelled to sell its output at one-third of world prices. And all sorts of contributions, payments, and taxes into nonbudget

funds and the state budget comprise more two-thirds of the oil selling price. Even selling oil for export sometimes does not bring an enterprise into the black unless exemption from export taxes is granted.

Solving this problem as quickly as possible is especially important for Tatarstan. Because almost all our oil is shipped outside the republic as crude, without refining, while Russian oil, including a considerable share of Tatarstan oil, is refined entirely at Russian plants and is sold in the form of petroleum products at prices five to six times higher than the cost of crude (in world practice this factor is not higher than 1.7-1.8). In these circumstances, keeping low prices for crude in the domestic market is even profitable for Russia.

Based on the above, the substantiation and coordination of optimum selling prices for oil in the domestic Russian market and the tax rates, as well as getting exemption from paying export duties, is one of the priority tasks for the AO Tatneft and the republic leadership. Without solving this task, it is impossible to solve employment and ecological problems.

#### Put Money in Plants, Not Soil

It is clear today to specialists in the oil industry and the Tatarstan leadership that oil production at republic oil fields is lucrative for the republic, both currently and in the foreseeable future, if the oil undergoes deep processing locally and is sold outside not as oil but as petroleum products. Of course, in developing the design for construction of an oil refinery (refineries) in Tatarstan, we also have to take into account that this ensures a reliable and interruptible supply of petroleum products for the republic.

Per capita oil production in Tatarstan today is more than three times higher than the analogous indicator in Russia (and higher than the republic's own needs by approximately the same factor), while its supply of oil reserves and resources is considerably lower. Keeping production at the current level (25-30 million tonnes a year), which some specialists are advocating, in the conditions of limited reserves will inevitably lead to a premature cutoff of raw material supply to the refineries planned for construction. In short, the question is this: either stabilize production or build a refinery. It is impossible to do both at the same time. Calculations show that the optimum option is to gradually reduce oil production over the next few years to the level of refining capacities (already existing and planned for construction).

Under this option the money necessary to maintain production at the current level (for instance, to increase the volume of drilling work) can—and should!—be directed into refinery construction.

For comparison, the AO Bashneft, which produces far less oil than Tatneft and at older fields, earns much more profit. Our neighbors refine all their oil at their own refineries.

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**Tatarstan Journalists on Current Problems**  
944F1234A Kazan RESPUBLIKA TATARSTAN  
in Russian 11 Aug 94 p 1

[Sh. Mulayanov report: "How To Survive in Free Fall? Chief Editors of Newspapers on the Problems Troubling Them"]

[Text] The success of the democratic transformations and economic reforms in the country depend directly also on sociocultural factors, primarily the state of interethnic relations. What can and should the press be doing to maintain peace and harmony in our multinational fatherland? This key issue was deliberated on yesterday by the participants in a briefing of chief editors of newspapers of the Volga region, the Kama area, the Urals, and Siberia assembled in the "Kazan" national-cultural center. It was organized by the Committee of the Russian Federation for the Press and the Ministry of Information and the Press of the Republic of Tatarstan. The second item on the agenda was the question of ways of survival for the news media under the present crisis conditions.

The participants in the briefing were welcomed by M. Sabirov, prime minister of the Republic of Tatarstan. He dwelt in his emotional speech on the state of affairs in the economy and interethnic relations in the republic and set forth the essence of the treaty concluded between Tatarstan and the Russian Federation. The leitmotiv was the idea that Tatarstan and other components of the Federation and Russia as a whole could extricate themselves from the present difficulties only with a constant strengthening of intereconomic relations, a broadening of the independence of the regions, and the consolidation of the friendship of the peoples.

The journalists then heard their colleagues—R. Minulin, head of the editorial office of the radio magazine *Between the Volga and the Urals*, U. Bogdanov, director of the TATAR-INFORM Agency, A. Komarov, chief editor of UDMURTSKAYA GAZETA, and the leaders of other newspapers—who shared their experience of the coverage of interethnic problems and expressed their thoughts on the methods and forms of an intensification of the salutary role of the press in a revival of national cultures and self-awareness and a strengthening of Russian statehood.

As if summarizing the opinions and proposals that were heard, Kh. Bokov, deputy minister for nationalities and regional policy of the Russian Federation, emphasized that much that was contrived in respect to the history of the peoples and their mutual relations had piled up in the press in recent years. Availing themselves of this and dexterously playing on the material dependence of the newspapers and journals, nationalist groupings garbing themselves in the cloak of fighters for national self-determination are making their way through to power in places. Unfortunately, the news media have also lent a

hand in the shaping of such myths of everyday nationalism as, for example, the disorderliness and propensity for drunkenness of the Russian people; the exclusiveness of the Jewish nation and, as a counterweight, the accusation against the Jews of responsibility for all earthly misfortunes; the European civilization and innate attraction to democracy of the Balts; the predisposition toward crime of all "persons of Caucasus nationality"; and so forth.

We are currently witnessing a revival of national self-awareness among the small peoples and also of national pride among the Great Russians. We cannot, therefore, abusing permissiveness and on account of obsequiousness, allow our common history to be trampled and discredited just like that. We need to defend the consciousness of our people, particularly the youth, against an inferiority complex that is being imposed from outside.

The audience's attention and involvement grew even more during discussion of the question of whether the press was to be or not to be under the conditions of free sail on the market sea. G. Shridius, chief editor of KUBANSKIYE NOVOSTI, put it accurately and colorfully, calling the present hopeless financial situation of the majority of editorial offices "soaring in free fall."

Here follows the essence of the opinions of individual speakers on the ways of survival for journalist outfits.

Yu. Alayev, chief editor of IZVESTIYA TATARSTANA: We need to seek tax privileges for commercial structures under the auspices of the editorial offices. Only in this case can we breathe easier.

S. Titov, deputy editor of SIMBIRSKIY KURYER: Editorial office costs in the West are covered only 7-13 percent from the sale of newspapers, the rest, from advertising revenue. Commercial enterprises are not a serious proposition in that commerce inevitably declines. We are resorting increasingly to "soft" advertising, when we publish material for which we receive payment. But this is a vicious phenomenon....

I. Gimatov, editor of the Almet'yevsk newspaper ZNAMYA TRUDA: We are making shift as best we can. The main profit comes from advertising. We are employing barter: For exchange we make every conceivable kind of form from waste paper and we have organized a video department—we rent out videos to order and have obtained at least some money—and we make bank deposits that earn interest....

The debate was summed up by B. Mironov, chairman of the Committee of the Russian Federation for the Press. He declared that the path of government subsidies for the news media is hopeless. New solutions of the problem are offered by a bill on government support for the media that has been submitted to the State Duma and provides for a set of financial privileges and organizational measures. The draft has passed in its first reading, and we hope that the law will be adopted in the fall.

The briefing was anchored by I. Akhmetzyanov, minister of information and the press of the Republic of Tatarstan. I. Khayrullin, deputy prime minister of the Republic of Tatarstan, took part.

#### **Tatar Official on Implementing Language Law**

944F1248A Kazan KAZANSKIYE VEDOMOSTI  
in Russian 12 Aug 94 p 14

[Interview with Zilya Valeyeva, first deputy chairman of the Tatarstan Supreme Soviet, by KAZANSKIYE VEDOMOSTI correspondent Viktor Smirnov; place and date not given: "Zilya Valeyeva: 'No Need To Fear Exams—We Are Talking About Elementary Knowledge'"]

[Text] The Tatarstan Constitution envisages the functioning of two state languages in the republic—Tatar and Russian. The State Program for the Preservation, Study, and Development of Languages of the Republic was adopted at the XXI Session of the Supreme Soviet. This program was developed in accordance with the Constitution and Law on Languages, adopted in July 1992.

Our correspondent, Viktor Smirnov, met with Zilya Valeyeva, first deputy chairman of the Tatarstan Supreme Soviet, who actively participated in drawing up the draft program.

[Smirnov] Zilya Rakhimyanovna, let us first delve into historical background a bit. Who initiated formulation of the law "On the Languages of the Peoples of the Tatarstan Republic" and the State Program? Was it a specific living personality—the president, let us say, or some deputy group, some faction? Or was it the entire parliament?

[Valeyeva] I think in all fairness that this contributive effort is shared by the Commission on Interethnic Relations and Culture and, if you are talking about specific deputies, by Rauzal Abdullazyanovich Yusupov, who can be considered one of the main formulators of this draft law. Further practical and very painstaking work related to the insertion of amendments to the draft law, its implementation, and adoption of the program, was accomplished by Razil Ismagilovich Valeyev, the chairman of this commission, jointly with the Government. In addition, the Cabinet of Ministers, Institute for Language and Literature imeni Ibragimov, and the Tatarstan Academy of Sciences also contributed toward providing specific program content. And we cannot overlook the role of society and the scientific intelligentsia of Tatarstan in this effort.

[Smirnov] The program mentions the languages of the PEOPLES of Tatarstan. What languages are being referred to here?

[Valeyeva] The program was formulated in accordance with the law, and the law talks about the development of the languages of all peoples residing in Tatarstan. Secured in our Constitution is the principle of being

afforded the opportunity to receive an education, especially primary education, in one's native language. During the course of discussion of the program in session of the Supreme Soviet, the observations of deputies were taken into account and provisions inserted into appropriate sections on the conduct of 10-day festival events not just in the Russian and Tatar languages, but in Chuvash and other languages as well.

With respect to the largest portion of its measures, this program may be seen as oriented more toward securing the functioning, primarily, of two state languages—Russian and Tatar. In this regard, it envisages to some degree an equalization process for the Tatar language—raising it to the level of a state language, which of course will require tremendous effort, material expenditures, and finding solutions to organizational problems. In attempting to overcome the adversity, we must expand its sphere of application. Citizens of Tatarstan must be afforded the opportunity to assimilate this state language. To this end, the program envisages publication of the required instructional manuals. In time, spheres will be determined in which knowledge of the two state languages—even with a minimum vocabulary—will be mandatory.

A great deal is envisaged for preschool and grade school education. This is an effort for the future, when citizens of Tatarstan will have mastery of the two state languages from early youth.

[Smirnov] World instructional experience shows that it is best to learn languages from the earliest days of childhood. In this regard, there will evidently exist certain programs for language instruction, beginning with preschool institutions. Correct?

[Valeyeva] We already have such programs that have seen practical application, but they will be improved and perfected in the future. Instruction will become modernized—through the use of computers, for example.

We can assert with satisfaction that in the schools and especially in the kindergartens, as you have emphasized quite correctly, early instruction yields outstanding results. Adults, moreover, especially young parents, become involved in the Tatar language through their kids who are being educated in the kindergartens.

[Smirnov] In my days as an instructor at an institution of higher learning, I spent time with students during periods of agricultural labor in the Tatar countryside, deep in the interior where no one spoke Russian. I had to take a student along with me as a translator when the need arose to fill orders or obtain food products.

Does the program we are discussing envisage study of the Russian language in such villages? Or do you think there is no need for this?

[Valeyeva] The instructional programs of the schools envisage knowledge of two state languages. It is very



difficult for me to imagine locations in the interior where people do not know Russian.

Another problem has made itself felt in recent times. Quite recently, optional Tatar language instruction was introduced in city schools. These lessons have turned into a farce. Six or seven years ago, sociologists conducted studies in Naberezhnyye Chelny on the subject of native-language knowledge in Tatar families. The results of the studies showed that the language was dying, and, as we know, the people and the nation die when the language dies.

[Smirnov] What in your opinion should be the level of knowledge of the state languages on the part of high school graduates?

[Valeyeva] The level should be such as to ensure that a graduate, an inhabitant of Tatarstan, is able to exist in the republic without any problems. We are not talking about a profound, academic knowledge of language. We are concerned with language for use in communication, of the kind we are lacking right now with respect to English and German... We teach these in the schools and institutions of higher education, but we cannot speak them. At the same time, the vocabulary level of a cleaning lady at any hotel abroad enables her to ask a guest in three or four languages what he needs, when to do the cleaning, when to serve coffee.

[Smirnov] The program envisages the presence of Tatar language departments in all of Tatarstan's institutions of higher learning. What is their role?

[Valeyeva] These are intended to reinforce the student's knowledge of language acquired in school. This applies primarily to specialists who may travel to work in any region of Tatarstan following completion of studies at an institute, including to locations where there are large Tatar populations. Their knowledge of the Tatar language must be on a higher level.

[Smirnov] Theoretically, in accordance with the program any grouping of the populace—Ukrainians, Germans, Jews—may request the opening of an ethnic school. Is this possible?

[Valeyeva] The state has assumed the obligation of guaranteeing grade school education in a pupil's native language. Perhaps this has not been implemented 100 percent as yet. It should be seen more as a lofty goal to which the state aspires, the level we would like to attain. But, today, in those places where people so desire and where conditions permit, the cities and rayons try to meet people halfway.

Everyone knows that we used to have the Aksubayev Chuvash Institute, at one time the foundry of learning for personnel from all over Chuvashia. You could say it was an elite educational institution. But, gradually its level fell, primarily because the attitude changed toward national-cultural rebirth.

Now we must restore to this institution its former glory and make it the base for training cadre both for Tatarstan's Chuvash schools and those of Chuvashia itself.

[Smirnov] Matters are simpler for children and young people. But, what about adults who do not know either one of the state languages of the republic and will be required by job position to have such knowledge? What employee categories will confront this problem? How will their training proceed? And on what level will they have to master the second language?

[Valeyeva] For the time being, no one faces such requirements. Today the conditions must be established for study of the Tatar language. Of no small import here is financial incentives in the form of supplemental payment for knowledge of the second state language. This, incidentally, has already been introduced in the libraries and is facilitating operations.

[Smirnov] So there is not as yet any listing of occupations requiring a knowledge of the two state languages?

[Valeyeva] Not yet. But if such a listing emerges in time, there is no need to fear draconian measures of any kind, or exams that will be used to disqualify people. We are talking about very elementary knowledge, a minimum vocabulary of 200-300 words to help an individual avoid an uncomfortable situation when he is approached by someone using the other language.

Unfortunately, the experience of other republics shows that this is a delicate sphere, a fragile area where people can mistakenly take offense. Therefore, it is necessary to avoid acting by decrees and directives, which can only frighten people away, create a nervous environment, and bring instability into society.

[Smirnov] Implementation of the program will require monetary outlays. What amounts may be involved here?

[Valeyeva] It was stated during adoption of the program that over the period 1994-1997 alone, about R30 billion, calculated in current prices, would be needed. The financing will mainly be budget financing, but there are also opportunities for attracting other types of funding. All the same, reality tells us that the main burden will be placed on the budget. Perhaps this will not be to everyone's liking since the program is being carried out in less than the best and most comfortable of times. But I would like to say that this is an effort for the future that, with a minimum of investment today, will reap maximum benefit 10 years from now.

#### **Chernozem Organized Crime Fighting Chief Interviewed**

944F1141A Moscow ROSSIYSKAYA GAZETA  
in Russian 30 Jul 94 p 3

[Interview with Anatoliy Kolesnikov, chief of the Regional Administration for Combatting Organized Crime in the Oblasts of the Central Chernozem Zone,

conducted by Gennadiy Litvintsev, ROSSIYAKAYA GAZETA special correspondent in Voronezh: "The Especially Dangerous Ones—Under a Special Cover"]

[Text] The chief of the Regional Administration for Combatting Organized Crime in the Oblasts of the Central Chernozem Zone, Anatoliy KOLESNIKOV, answers questions posed by our ROSSIYSKAYA GAZETA correspondent.

[Correspondent] The newspapers and TV contain a lot of criminal information: Shootouts, murders, bombings. It is unlikely that anyone would say today that they live "in a quiet provincial area." Anatoliy Petrovich, how would you evaluate the situation in our region?

[Kolesnikov] Crime knows no regional boundaries. The processes here are the same as in the entire country—the criminal world is actively penetrating into the commercial and banking structures, striving to establish control over state enterprises and to put its people in structures of power. There is also a division of spheres of influence and delineation of gang groupings. In certain types of crime, the Central Chernozem Zone surpasses the all-Russian indicators. The number of intentional murders and attacks with intent to rob is increasing in Voronezh and Orlov Oblasts. So that the "quiet province," we might say, is a thing of the past.

[Correspondent] The administration which you head up has exposed around 100 organized criminal groups this year, and has neutralized several robbery rings which had exacted tribute in the cities and along the highways of the Central Chernozem region. A large amount of weapons, drugs and money has been seized. But is this not reminiscent of the story when several new heads grow to replace the one that has been chopped off?

[Kolesnikov] I must agree that for the present time, crime is several moves ahead of us. For many years the Russian laws have not reflected the real state of affairs. So that the Presidential Edict on Combatting Organized Crime and Banditism comes just in time.

And let me mention one other sore point. We are catching and exposing criminals and gathering the necessary evidence, but only one-third of the cases which we investigate come to trial. And even those are often re-classified under other articles which provide for minimal terms of punishment. This is why the robbers, bandits, bribe-takers and corruptionists act so brazenly today. And the scope of their activities is increasing.

Last year, officials of the Voronezh Savings Bank were brought to responsibility for taking 4 million rubles (R) in bribes. Today the workers of the Lebedyanskiy Commercial Bank (Lipetsk Oblast) have been caught taking bribes in the amount of R250 million. And altogether the sum of misappropriations has comprised over R2.5 billion.

[Correspondent] As I have understood you to say, many crimes in economics and in the credit-banking system

would be impossible without greedy and mercenary officials. They are probably more difficult to identify and expose than bandits who engage in robbery?

[Kolesnikov] Yes, this really is a difficult and laborious matter which requires stubbornness, precision and professionalism. This year alone, 88 officials at various levels in the region were exposed for having corrupt ties: 37 of them worked in the system of state power and administration, 8 in the banks, and 25 in the law enforcement agencies. In Orlov Oblast a group of 11 workers of the militia was exposed, which had participated in extortion, theft of state property and other crimes. In Voronezh, the chairman of the city property fund, S. Krutskikh, along with a number of other official workers of this fund, were arrested and accused of accepting bribes. Understandably, a corrupt official with criminal ties poses a particular hazard to society: He makes criminal the state power itself.

[Correspondent] And have they tried to bribe associates of your administration?

[Kolesnikov] I will say firmly, this is a hopeless cause. Yet there have been cases of provocation, efforts to compromise, to "cover over."

[Correspondent] The president's edict on protecting the public against banditism and other manifestations of organized crime has evoked a non-synonymous evaluation in society. How was it perceived by the workers of the law enforcement agencies?

[Kolesnikov] The presidential edict was necessary, of this there is no doubt. I do not think that the measures outlined in the edict will lead to a violation of the political and civil rights of citizens—there are supervisory agencies and operating civic institutes for the protection of human rights.

#### **Krasnodar Kray Head Sued for Postponing Kuban Election**

94AF1154C Moscow ROSSIYSKAYA GAZETA  
in Russian 2 Aug 94 p 2

[Article by ROSSIYSKAYA GAZETA correspondent Vladimir Udachin, Krasnodar Kray: "How the Court Scheduled the Election"]

[Text] The intrigue concerning the election to the legislative assembly of Krasnodar Kray was on the point of dying down with the arrival of summer, but it started up again with new force. We might remind our readers that the election to the representative agency of authority in Kuban was rescheduled four times for various reasons. The last time, Nikolay Yegorov, who was then the head of the kray administration, postponed it from 12 June to 20 November. It is that latter date that became the object of a statement of claim submitted by Otechestvo [Homeland], the kray's sociopolitical association, to the kray court.

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Explaining its suit filed against the administration, Otechestvo feels that the former governor, by postponing the election from 12 June to 20 November, infringed upon the rights of the Kuban voters that are guaranteed by the RF Constitution. The court session met several times, but the defendant's representative did not appear in the hearing room.

Finally, Valentina Parkhomenko, chief of the administration's legal division, showed up at the court session, and an investigation occurred. We shall not discuss the details of the arguments given by the plaintiff and the defendant. It is a "song" that is too long and not very intelligible. We shall mention a very unusual cause given in the court's decision. The court recognized as being illegal the administration head's decree concerning the postponement of the date for holding the election in the kray.

Well, if it was illegal, then it was illegal. To give the kray court its due, this may be the first time in its practice that the superior kray authority rendered a decision to the party initiating a complaint. Well, what then? As the expression goes, the train has left. June 10 has become part of history. Since the court has recognized the postponement of the election to be illegal, then the conducting of it on 20 November would also seem to be out of hand. So the court, by its decision, required the kray administration to conduct simultaneously an election to the kray's legislative assembly and to the agencies of local self-government on 25 September.

So, when the election is finally held, who, as the expression goes, will take the upper hand? We might note that it is precisely the Otechestvo sociopolitical association and a group of Kuban deputies to the State Duma who are insisting on holding the election on 25 September. For that reason the deputy administration head remarked that the court had made a political decision by rendering the judgment to the plaintiff, Otechestvo, which reflects the opinion of only a part of the kray's population.

In addition, by scheduling the election date, the court exceeded its powers, inasmuch as, according to the existing legislation, the decision to hold an election on a certain date is to be made by an agency of representative authority or, if such is temporarily absent, an agency of executive authority, and that is what the kray administration did at that time.

By failing to look into the legislative "book of holy days," the court fell into a procedural trap. On the very day that it announced its decision, it became obvious that it was impossible to hold the election on 25 September, since it is necessary, 70 days prior to an election, to publish information about the electoral districts, to form election commissions, etc., none of which, naturally, has been done. And considering the fact that the administration is making an appeal to the RF Supreme Court, until the hearing of which the kray court's decision is suspended, it is clear that the election date that was defined by the court is unrealistic both for legal

reasons and for "reasons of everyday life"—who among the villagers who constitute half of the electorate will go to the ballot boxes at the height of the autumn harvesting operations?

So will the election take place in Kuban? The administration's representatives firmly state that the election simultaneously to the kray's legislative assembly and to the representative agencies of local self-government will take place. Drafts of statutes entitled "Principles of Organizing Local Self-Government in Krasnodar Kray" and "Elections to Representative Agencies of Local Self-Government in Krasnodar Kray" have just been published, and they will be widely discussed in the outlying areas.

#### **Kalmykia's Ilyumzhinov Adds Own Twist to Yeltsin Crime Edict**

944F1154D Moscow IZVESTIYA in Russian 2 Aug 94  
p 2

[Article by IZVESTIYA correspondent Valeriy Rudnev: "K. Ilyumzhinov Has Undertaken the Fight Against Crime, but Illegally..."]

[Text] The 14 June edict of RF president Boris Yeltsin, entitled "Urgent Measures to Protect the Population Against Gangsterism and Other Manifestations of Organized Crime" is continuing to make its way across Russia...

The Republic of Kalmykia is proceeding along its own path. The attempt is being made there to raise the level of the fight against crime higher than the level in Russia as a whole, as far as emergency measures. But what kind?

At first a draft of an Edict by Kirsan Ilyumzhinov, president of the Republic of Kalmykia, entitled "Urgent Measures to Protect the Population Against Gangsterism and Other Manifestations of Organized Crime," was circulated in Elista. In addition to the name itself, this draft reproduced verbatim the basic principles stated in the Russian edict. But it also contained some homemade items. For example, the president of the Republic of Kalmykia bestowed additional powers upon himself: according to the draft, K. Ilyumzhinov could issue edicts aimed at combatting crime, which edicts have the same legal force as laws. He also could appoint and fire the heads of the republic's law-enforcement agencies.

It is, of course, possible, to evaluate these powers by using one word—unconstitutional. Because not only the questions of criminal justice, but also the appointments of the heads of law-enforcement agencies are the exclusive prerogative of Moscow, rather than Elista. But calling the measures "unconstitutional," because of our political real-life situation, really does not say anything. We have already made that word a cliché. It bores us now. But with regard to violations of the new RF Constitution on the part of the country's highest officials, our Basic Law [Constitution] should have been recorded in the Guinness Book of Records long ago.



So, from that point of view I would not give the prize for being first to the heads of the Republic of Kalmykia. The Russian president is also culpable: he himself issues edict-laws on his own authority, usurping the duties of the State Duma. For example, B. Yeltsin appointed his own general procurator against the will of the Council of the Federation.

It is another matter when Kirsan Ilyumzhinov outdoes Boris Yeltsin. Because the edict draft has already been substituted in Elista for the draft of the law, and the urgent measures have been transformed into emergency ones. The paragraphs that touch upon the fight against crime proper have disappeared. The only things that remain are "the additional powers of the president of the Republic of Kalmykia," and the repressions against the officials—fines of up to 50 minimum wages.

Maybe everything in Elista will end in the drafts...

Maybe. The only thing that is worrisome is that the republic's highest officials have already begun to be invited into Kirsan Ilyumzhinov's administration, with recommendations that they resign voluntarily. The first to be called on the carpet was the chairman of the Kalmykia Supreme Court.

Who is next?

#### **Strategic, Economic Priorities for Kaliningrad Oblast Viewed**

944F1149A Moscow NEZAVISIMAYA GAZETA  
in Russian 26 Jul 94 pp 1,3

[Article by Sergey Shakhrai: "Kaliningrad—Koenigsberg—Krullevets... How To Strengthen the Western Outpost of Russia"]

[Text] It is unlikely that we will find another territory in the Russian Federation which is similar to Kaliningrad Oblast.

First of all, this, of course, is a peculiarity of geography. While before, like the Baltic republics, the oblast was part of the unified USSR, today it, scientifically speaking, is an enclave of the Russian Federation in the Baltic region. This means that all types of transport communication with "continental" Russia, except for maritime, pass through the states of the near or far abroad. The "foreign" transport tariffs and visa regimen cut off Kaliningrad residents from Russia more soundly than any "iron curtains."

Secondly, this is a peculiarity of economics. The narrowly specialized industry (machine building, fishing, the cellulose-paper sectors, and over 90 percent of the world's amber reserves) has the highest percent of integration into the economy of other regions of the former USSR: Around 70 percent of the products are exported from the oblast, and over 90 percent of the raw materials and components are brought in from outside.

Around 80 percent of the electrical power today comes from the foreign Lithuania. Also, practically all the communications run through Lithuanian territory. As a result, it is cheaper to call to Berlin from Kaliningrad than to Moscow.

Thirdly, this is a military sphere. During the time that Kaliningrad Oblast was within the make-up of the USSR, this region, due to the specifics of its geographical-strategic position, was in fact turned into a big military base and a "closed territory" with unique military industrial production.

Conversion and the problems associated with reduction of the Russian Army particularly intensify the general socio-economic tension here.

And finally, fourth—is the particularly complex intertwining of interests and emotions, including international ones, surrounding the problems of Kaliningrad.

It has historically turned out that the unconditional international recognition of this territory as Russian was made in 1945 by the Potsdam Agreement. However, the European Community, the Baltics, Poland and especially Germany nevertheless believe it possible to place their policy in regard to Russia in direct dependence on our policy in Kaliningrad Oblast.

In its general form, the dilemma is seen quite simply. If Russia turns this territory into a European marketplace, on which there is no place for tanks, it will be granted all kinds of aid and economic benefits. If it is stubborn in its unwillingness to disarm its "Western outpost," Europe and the Baltics will exert economic and political pressure on the Russian Federation.

The population of the oblast, which stubbornly sees live pictures of "European standards" before its eyes, quite understandably wishes to live just as well. The oblast administration, which manifests the miracles of economic and political sharpness of wit, is forced to constantly balance between the interests of the territory, the interests of Russia, and the tempting "free pastries" of the European Community.

As a result, the situation is becoming reminiscent of a swing: On one hand lie the economic interests, and on the other—the military-political. And the balance between them cannot be achieved. Moreover, it is turning out to be profitable for the territory to increase the amplitude of the swinging. By placing its stake first on "super-sovereignization," then on support of the military lobby, like an experienced broker, it can try "to take a percentage" of all the counter-agents at once. Moreover, such a position may always be justified by a concern for the people.

They say that if a question is well formulated, it will stand for a long time. This is quite applicable to the problem of Kaliningrad Oblast. The only possibility of decisively changing the situation is to "turn the swing on its side." In a less figurative expression, this means to

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clearly and decisively announce which model—the economic or the military—will be the head, and which will be the subordinate in the prospects for development of this region. And the question must be viewed from the standpoint of the **strategic interests of Russia**.

If we give the priority to **economic interests** then the military-strategic ones must fade into the background. Development will then follow the scenario of the Euro-parliament which, for example, in February of 1994, instead of its own domestic affairs discussed the problem of Kaliningrad. The resolution consisting of 23 points presents in a "tasty" economic wrapping the proposal to develop a special international status for this territory, and in the future to create what in fact would be a fourth independent Baltic state. These ideas are echoed also by part of the population, as well as among the organizations of Russian Germans and among individual local leaders who speak of the possibility of creating the Russian Baltic Republic.

However, the primate of national security recognized by any state demands that **the priority be given to the military-strategic interests of Russia**.

The choice of the "outpost" model does not mean that we are overlooking the socio-economic problems of Kaliningrad Oblast. We are obligated to solve and will solve these problems, but primarily in the context of unconditional adherence to the state interests, and secondly in the context of more general problems of military-political and socio-economic development of the entire northwestern region of Russia.

If we set the priorities in this manner, then many of the questions on Kaliningrad Oblast will appear in an entirely different light.

Here is a small example. Recently, federal and Kaliningrad experts have concurred in the opinion that the basic potential for effective development consists of intensifying the influx of investments, domestic and foreign. From the standpoint of economic theory this thesis appears unquestionable.

Kaliningrad Oblast was one of the first to receive the status of a "free economic zone," and a special customs and tax regimen was established for it. There is no need to delve into the details of provision or lack of provision of various economic benefits, risk guarantees, and so forth. Let us take the general figures.

As of 1 May 1994, there were 771 enterprises created in the oblast with foreign investments. However, the overall sum of foreign capital in the charter funds comprises only around 0.03 percent of the all-Russian sum.

The relative share of Kaliningrad Oblast in accumulated investments for 1993 comprised only 0.2 percent (\$5.9 million), while its share in the overall volume of investments received for the 1st quarter of 1994 was 0.9 percent (\$1.3 million).

The "profitability" of the free economic zone turns out to be very low. And this is on the background of the highest number of recorded cases of falsification and contraband, including of strategic raw materials, weapons, drugs, currency machinations and other crimes.

From all this we may draw one obvious conclusion: The territory of the FEZ [free economic zone] should not coincide with the administrative boundaries of the oblast. Such a coincidence is logical nonsense, and a direct economic detriment to the state.

And there is one other circumstance. The intentions to develop relations with the European and Baltic neighbors, to establish independent contacts with international economic and political organizations, one one hand, should be welcomed.

But on the other—the activity of independent bilateral contacts in the oblast should not lead in fact to **cultural-economic expansion** of foreign states in Kaliningrad Oblast.

The German and Polish sides assure us that they do not aspire either to Koenigsberg or to Krulevets. However, they specifically are the leading investors in the oblast (the relative share of German SP [joint ventures] exceeds 50 percent here).

The number of Germans in the oblast, according to the census for 1979, comprised slightly over 1,200 persons. In the last three years, according to official data, it has increased by 11 times and comprises 17,000. Quietly but methodically, Germany is implementing a course toward strengthening its positions in the economy, culture and social life of Kaliningrad Oblast, which in unofficial documents is ever more often referred to as Eastern Prussia. This cannot help but lead to "evolutionary" alienation of the oblast from Russia.

When the oblast and federal authorities speak of the need for attracting foreign investments, they always make stipulations to the effect that land must not be granted for ownership or mortgage. However, there is no coordination on this question.

For example, the new changes in the statutes on foreign investments which are being prepared, undoubtedly, are aimed at improving the investment climate in the Russian Federation. However, granting rights of long-term land usage (with predominant right of extension) to foreign investors with 100 percent foreign capital in creation of a new enterprise for Kaliningrad Oblast may violate the strategic interests of Russia. After all, it is specifically the number of enterprises with 100 percent foreign investments that is growing the fastest of all in Kaliningrad Oblast.

As a result, potential economic benefits to the population of the territory are turning out to be real strategic losses for Russia.

What conclusion follows from this? The important thesis of the need to consider obvious geographical and economic peculiarities of Kaliningrad Oblast in combination with its unique strategic importance for Russia leads to a logical pitfall. The entirely correct formula of "the need to balance the interests of the center and the region" turns out in essence to be an instrument for alienating Kaliningrad from Moscow, with the total approval of the European "observers."

The instability of the situation and the lack of clarity of the strategic line have long evoked irritation among both the regional and the federal authorities. Upon closer consideration, the various draft laws on the special status of the oblast and agreements on delineation of authority, as well as the programs for its socio-economic development, turn out to be not too suitable for solving the problem, if not "once and for all," then at least for the more or less long term future.

The current status of the process of seeking a balance may be illustrated in the words of the oblast head of administration, Yuriy Matochkin: "There is no unified state approach in Moscow to the problems and role of Kaliningrad." If even the regional leaders formulate the question in this way, then the federal authorities cannot drag out its resolution any longer.

Of what must this state approach consist?

It turns out that the specific interests of the Russian Federation in Kaliningrad Oblast require not long drawn-out procedures of coordinating interests, but the creation of mechanisms of special state regulation of the development of this territory. Moreover, not in itself, but within the coordinates of the entire northwestern economic region.

Such a formulation of the question immediately gives a tie-in to the problems of development and improvement of Kaliningrad Oblast with the tasks of functioning of Leningrad Oblast, and with the strategic interests of Russia in its interaction with independent Baltic republics and the Republic of Belarus, and with our partners from the countries of Eastern and Western Europe.

Based on the peculiarities of the socio-economic position of Kaliningrad Oblast, the following are seen as being among the necessary measures in the nearest future:

1. Development of the transport infrastructure of Russia in the Baltic with consideration for the development of the port of Baltiysk, the Leningrad Port and the construction of a port on the Luzhskoy inlet.
2. The development of a "transport bridge" in Kaliningrad Oblast through the territories of Belarus and Lithuania.
3. The formation of a unified command in the northwestern region and development of military-naval bases in Kaliningrad and Leningrad Oblasts, including also for

the purpose of solving the socio-economic problems of military servicemen in interacting with the local authorities.

One of the important prerequisites in solving the presented tasks is painstaking work in the preparation and conclusion of a special military-political agreement between the governments of Russia, Belarus and Lithuania. But this is only the foreign political framework.

In the domestic political plane, the practice of concluding treaties between state organs of power of the Russian Federation and organs of power of subjects of the Federation, which is becoming the "standard," seems ineffective in regard to Kaliningrad Oblast.

More important is the creation and "launching" of new mechanisms of state administration of territorial resources. The basis for one of these mechanisms may become the development and adoption of a law on the status of the federal territory which formulates the principles of isolation of such specific constitutional formations.

It is necessary to give Kaliningrad and Leningrad Oblasts the status of a federal territory. It would be more correct to appoint the head of administration of the federal territory by decision of the President of the RF [Russian Federation], upon nomination by the prime minister. He must receive special powers and authorities in the sphere of ensuring legality, law and order, public safety, support of the tax, customs and migration regimen, and development of the transport infrastructure, and also be a member of the Russian government with rights of a federal minister.

The budget of the federal territory must be formulated at the expense of federal budget funds, tax revenues on the federal territory, and extra-budgetary target programs for socio-economic development, a list of which is ratified by the RF government. The RF government may also adopt a decision on establishing the regimen of a FEZ, for example, in the zones of the maritime and aviation ports and their adjoining territories. Thereby, the sought-after co-subordination and coordination of federal and regional interests will be achieved, and control over the effective target application of enlisted resources will be ensured.

This is an approximate list of the necessary decisions on the problem of Kaliningrad Oblast.

The firm position of Russia in regard to Kaliningrad is not a demonstration of the "great power syndrome." It is based on the legitimate right of any state to far-sightedly and effectively manage its resources—strategic, military-political and economic. The consistent realization of the strategic interests of Russia in combination with an attentive approach to the problems of the region's development indicate the practical embodiment of the radical historical principle of Russian statehood—unity in multiplicity.

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### **Nizhniy Novgorod Issues Oblast Loan Bonds**

944F1210A Moscow NEZAVISIMAYA GAZETA  
in Russian 4 Aug 94 p 4

[Article by Ruslan Sakirov: "There'll Possibly Be a Financial Off-Shore in Nizhniy Novgorod Oblast; Nemtsov Is Issuing Bonds in Series and Is Haggling With the Moscow Financiers About Lowering Its Taxes"]

[Text] The placing of the bonds of the Nizhniy Novgorod Oblast loan began on 20 July with the purchase of 50,000 shares by Prime Minister of Russia Viktor Chernomyrdin and Minister of Atomic Energy Viktor Mikhaylov. When the Prime Minister of the Russian Federation was asked why he limited himself to so insignificant an investment in the economy of Nizhniy Novgorod province, he declared that he had "simply no more money." However, this did not prevent him from leaving a memorandum in which the Nizhniy Novgorod experience with municipal loan bonds was characterized as a "mainline track" to macroeconomic stabilization.

Nizhniy Novgorod Oblast's state loan is to be sold in series over a period of a year. Its repayment period is also equal to a year, that is, two years should elapse from the purchase of the bonds of the first series to the repayment of the last Nizhniy Novgorod bonds. The different series will have a different interest rate. Four coupons are intended for quarterly payment. As NEZAVISIMAYA GAZETA has already written, the bonds of the first series should yield their owners an income of 9.2 percent a month. The bonds will be issued for a total of R100 billion with face values of R50,000 and R200,000 (for citizens) and R1 billion and R3 billion (for banks). The only charge that investors will have to pay is 0.7 percent from the securities. Other taxes bear no relation to the bonds. According to the information available to NEZAVISIMAYA GAZETA, a number of Moscow's financial structures are already interested in the bonds of the Nizhniy Novgorod loan. The fact that it is guaranteed by the budget of Nizhniy Novgorod should undoubtedly be considered the chief virtue of this security. The very mechanism for obtaining a serious profit on the funds attracted is interesting: The investors' money is to be used by an association of five local banks to plug "holes" in the short-term money regime.

The governor of Nizhniy Novgorod Oblast himself, Boris Nemtsov, whose signature, along with that of the director of the province's finance department, adorns every form, sees in the bonds a means of achieving several goals: First of all, they will promote the retention and expansion of the citizens' savings, representing a serious alternative to high-risk investments, which, in Nemtsov's opinion, will contribute to the stabilization and improvement of the socioeconomic climate in Nizhniy Novgorod Oblast. Second, the bonds work against inflation. In the third place, they provide support to the banks, increasing their safety and thus contributing to the development of entrepreneurship and the preservation of the funds of small investors, which

expands their influence on the social atmosphere in the province. Nemtsov also considers the bonds to be an effective instrument for attracting funds for the needs of the Nizhniy Novgorod administration itself, which, in his opinion, should contribute to increasing the freedom of maneuver of the local authorities during the continuing industrial slump.

Having lost part of his passionate energy in the struggle with the industrial slump in the oblast, Nemtsov, according to sources close to the governor, nevertheless is directing a rather ambitious project regarding the creation of a banking off-shore in Nizhniy Novgorod Oblast. According to this information, he plans a very substantial reduction in taxes (basically at the expense of the local budget) and negotiations are now being carried on with Moscow bankers at which, in the course of the bargaining with the financiers, according to this source, the maximum rate of the taxes on financial operations and of the profit tax that will be able to attract the capital bigwig to the Nizhniy Novgorod market, ought to be agreed upon.

### **Kazan Russia's Choice Chief Views Tasks**

944F1225A Kazan KAZANSKIYE VEDOMOSTI  
in Russian 9 Aug 94 p 4

[Interview with Aleksandr Shtanin, member of the Supreme Soviet of Tatarstan and representative of the Equality and Legality election bloc, by Viktor Smirnov; place and date not given: "So That There Be an Effective Opposition in Parliament"]

[Text] As we have already reported, the Russia's Choice party headed by Yegor Gaydar that was formed recently now has a branch in Kazan. Its leader, Aleksandr Shtanin, member of the Supreme Soviet of Tatarstan and representative of the Equality and Legality election bloc, and four of his party colleagues have just returned from a trip to Great Britain.

**What was the purpose of this visit? This was the question put to him by our correspondent Viktor Smirnov.**

[Shtanin] The purpose of the visit was to familiarize ourselves with the structural organization of Britain's Conservative Party and its working methods, particularly in a period of election campaigns.

We visited Central Office in London and familiarized ourselves with the work of the regional organization in Nottingham, where the Conservatives are in opposition, incidentally.

[Smirnov] Why, specifically, was the Conservative Party chosen? Did you find things in common between Britain's Conservatives and Russia's Choice?

[Shtanin] Yegor Timurovich and several of his associates had visited England earlier. The first contacts with Britain's Conservatives were established and an invitation for a Russia's Choice delegation to the visit the

country was received at that time. The Conservatives undertook to receive the delegation and to organize seminars.

[Smirnov] A big part was played here, that is, by personal contacts, not the kinship of the two parties' programs?

[Shtanin] Not entirely. The task facing us is that of returning the country to a normal channel of property relations. We believe that it is the existence in Britain of Social Democrats (the Labor Party) and Conservatives, which represent the middle stratum and enterprise, that ensures the necessary balance and stability in the country, where the ratio of public and municipal ownership to private ownership constitutes 30 percent to 70 percent. For the start of normal competition it would be desirable for us to achieve at least the reverse value: 70 to 30 percent. From this viewpoint, the aims and tasks that the British Conservative Party sets are close to us.

Take if only taxes. The Labor Party, on assuming office, tries to raise taxes, justifying this by the need to support various social programs. The Conservatives, on the contrary, lower taxes since they believe that the individual should to a large extent be responsible for himself and that help should go only to those that are incapable of this.

When the Labor Party is in power, incidentally, the administrative machinery grows, as a rule.

[Smirnov] Do you think that the experience accumulated by the British Conservative Party may be put into practice under our Russian conditions?

[Shtanin] The structure of the composition of both parties is approximately identical.

As far as election campaigns are concerned, we derived quite a wealth of experience here, and not only of the Conservatives, what is more. They conduct a thorough analysis of the situation, which subsequently enables them to arrange the emphases correctly and tells them what to do, when, and how and to what to call attention to avoid being hooked by demagogues.

Of course, their experience should be adapted to our electorate with regard to its psychology and mentality and its readiness to accept ideas.

[Smirnov] What, in your view, should be the result of the creation of a branch of Russia's Choice in Tatarstan?

[Shtanin] First and foremost, a structure that makes it possible to convey our ideology to the electorate and to reach each individual should be created. Direct contact with the electorate, which should know where to turn in order to obtain assistance and legal advice, is needed. This aspect is quite well organized among the British, incidentally.

[Smirnov] You are obviously hoping for some number of seats in the future parliament of Tatarstan. Approximately what kind of figure would suit you, if it is no secret?

[Shtanin] As far as Tatarstan is concerned, the local branch of the Democratic Choice of Russia does not set such a goal since our forces are as yet quite small. But we will join the Equality and Legality election bloc, which, as we know, unites all parties, movements, and groups of deputies of a democratic persuasion. As part of it at the next elections, we expect to obtain 30-40 percent of the seats in the parliament of Tatarstan. This is necessary for the opposition to be effective.

Those that are currently in power: the state party, the bureaucracy, officialdom, the nomenklatura—call it what you will—will have the actual majority. They are more organized, they have all the resources, and they will secure themselves a majority. But not an overwhelming majority, as now, when any decision may be pushed through in violation of the standing orders, when a two-thirds vote is mustered in this way....

When we spoke about this in England, we were simply not understood. This is unacceptable for them, but for us it is the very nature of things.

If there are 30-40 percent representatives of the Equality and Legality bloc in parliament, the likelihood of such unlawful actions could be lessened.

[Smirnov] Aleksandr Vasilyevich, what groups of society may be members of your party?

[Shtanin] All sober-minded people that understand that the basis of the normal development of society is a solution of the questions of property and free competition in the sphere of politics and, what is most important, in the sphere of economics.

#### **President's Maritime Kray Representative Views Issues**

944F1188A Vladivostok VLADIVOSTOK in Russian  
5 Aug 94 p 3

[Article by Vladimir Ignatenko, representative of the Russian Federation president in Maritime Kray: "Despite the Rash Statements, Investigation of the Cherepkov Case Is Continuing"]

[Text] On 28 July, when I was in Moscow on business, I had a lengthy discussion with O.I. Gaydanov, deputy procurator general of Russia.

The discussion focused mainly on the work of law enforcement organs in our kray by the procurator and the court, the Internal Affairs Administration, and the Federal Counterintelligence Service. In particular, it was noted that there has been a steady decline in the crime rate in Maritime Kray as a result of their assiduous implementation of the Russian Federation president's edict "On Urgent Steps To Implement the Federal Program To Step Up the Struggle Against Crime in the 1994-1995 Period" and the well-known edict on the struggle against gang activity. Thus, the results of the

first six months make it possible to speak about stabilization of the crime situation. The number of crimes recorded, compared with the first half of 1993, was reduced by more than 5 percent, including by more than 11 percent in the number of heinous crimes.

Crime in 25 cities and rayons in the kray, especially in Lesozavodsk and Pogranichnyy Rayon, was reduced in the six-month period. Crime in Vladivostok declined by nearly 11 percent. Of course, this does not mean that crime has been abandoned. No, the kray's crime situation continues to be serious.

In my conversation with O.I. Gaydanov, I expressed concern that the kray's procuracy organs are not fully informing the public and the press and are not always informing them promptly. Especially about cases being pursued by investigators of the procurator general's office. For example, about progress made in investigating the charges brought against Vladivostok's former head of administration, V.I. Cherepkov. Or about the wide reaction to the "Vops" case in Nakhodka.

The truncation of official information or the complete lack of it sometimes leads to the point that certain journalists who have information that is incomplete and not always reliable attempt to embellish it. As a result, the truth suffers and people are misled. And this gives rise to false assumptions and stirs up public opinion, which does not benefit a case, of course. The deputy procurator general agreed with me.

I will cite facts so that this is not unsubstantiated. Materials which suggest the idea that investigation of the criminal case against Vladivostok's former head of administration is nearing a conclusion and that it will end with a verdict that he is completely innocent have begun appearing lately in the kray's newspapers and on radio and television. This assertion by certain mass media is being perceived by the public of Vladivostok, and even the kray as a whole, as truth in the highest instance, which is promoted to no small extent by the public statements of specialists in the field of criminal law. Since they do not possess all the information available in the criminal case, but operate only with formal and logical conclusions, they maintain that once the investigator returned the money to Cherepkov that had been confiscated from him during the search, it followed that the charge of receiving bribes and other deeds which caused material loss was not proved.

It is natural that because of this, many kray residents are worried that they will once again be drawn into destructive political passions—the meetings and strikes and the endless analyses and confusion. People are worried that the city will once again be without a skillful manager and knowledgeable specialist just before winter and that they will be left without life support systems prepared for the cold weather.

Encouraged by the statements of certain mass media sources and lawyers, Cherepkov himself, despite the fact

that he is under investigation, is not sparing in declarations of his noninvolvement in the bribery of which he is accused. Moreover, he said he is already prepared to return to his previous position, inspired by new ideas and plans to reform the city economy, as well as the way of life of hundreds of thousands of Vladivostok residents who are innocent of any crime.

I would like to point out in this connection that according to O.I. Gaydanov, the money confiscated from Cherepkov during the search was returned to him by the procurator general's investigator at the insistence of Cherepkov himself. And the entire amount was not returned, only the part which really had no relationship to the charge brought against him, it was revealed in the course of the investigation. As far as the foreign currency and domestic rubles which were recognized as material evidence are concerned, they were not returned to Cherepkov but made part of the criminal case. In other words, the investigation is continuing, and it is the only thing that will put everything in its place by exhausting all the possibilities to establish the truth.

At the same time, it should be noted that in their pursuit of critical material, certain journalists seek to use only the situations in dispute, the "hot information," as they say. Whether the dispute is between the authorities or between people, or a dispute between people and the law or morality. The Cherepkov case is probably interesting from any point of view. However, it is very important that the truth be in the forefront in journalists' statements, and that the truth and nothing but the truth prevail.

But afterward it needs to be kept in mind that Cherepkov's activity in his position as head of administration in Vladivostok was not always in accordance with the laws in effect. Many of his decisions and deeds will have to be given further juridical evaluation. And it has not been ruled out that the charge that has been brought may undergo certain changes, including ones to extend it.

As far as investigation of the case involving the gangs routed in Nakhodka are concerned, the Russian procurator general has sent a team of highly skilled specialists to the kray and he is confident they will bring the criminal cases to a logical conclusion.

#### **Maritime Governor's Election Date Decreed**

*944F1182B Vladivostok UTRO ROSSII in Russian  
4 Aug 94 p 1*

[Decree under the rubric "In the Kray Administration": "On Approval of the Temporary Provisions on Elections of the Governor of Maritime Kray and the Scheduling of the Date of the Elections"]

[Text] Guided by the Constitution of the Russian Federation, Edict No. 1465 of the President of the Russian Federation of 27 September 1993 "On the Functioning of the Organs of the Executive Power During the Period of Stage-by-Stage Constitutional Reform in the Russian



Federation," and taking into account the remarks and proposals received during the course of discussing and preparing the Temporary Provisions on Election of the Governor of Maritime Kray from the commission of the kray administration for developing said document, political parties and movements, social organizations, and administrations of cities and rayons of the kray, I decree:

1. The Temporary Provisions on Election of the Governor of Maritime Kray shall be approved.
2. The election of the governor of Maritime Kray shall be scheduled for 7 October 1994.

[Signed] Chief of the Administration Ye. Nazdratenko  
Vladivostok, 2 August 1994

### Maritime Kray Builds Ties With Philippines

944F1227A Vladivostok KRASNOYE ZNAMYA  
in Russian 10 Aug 94 p 2

[Interview with the Republic of Philippines Honorary Consul Yu. Kostyukov, by KRASNOYE ZNAMYA correspondent Vladimir Pavlov; place and date not given; under the rubric "International Cooperation": "Vladivostok—Manila and Back: This Route May Soon Become Familiar for Thousands of Maritime Kray and Philippine Residents"]

[Text] As we already reported, another consulate opened in the kray center—Republic of Philippines. It is headed by Russian citizen Yu. Kostyukov. Our correspondent met with him immediately after he presented his consular credentials to Maritime Kray Governor Ye. Nazdratenko.

[Pavlov] Yuriy Mikhaylovich, tell us the story of opening the Philippine consulate and your appointment as its honorable head?

[Kostyukov] A year ago, the Republic of Philippines Ambassador to Russia Romualdo A. Ong paid an official visit to Vladivostok. He met with Yevgeniy Ivanovich Nazdratenko and expressed the intention of the government of this island republic to open its diplomatic representation in the Far East. The governor supported this initiative and recommended me as a consul.

After obtaining the concurrence of the Russian Federation MFA [Ministry of Foreign Affairs] necessary in such instances and a small Maritime Kray delegation's trip to the capital of Philippines Manila, where we were received by the republic president, the appointment was formalized, culminating in the presentation of proper credentials to the head of the kray administration.

[Pavlov] You became not just a consul but an honorary consul. What does it mean?

[Kostyukov] As a rule, this title is given to a citizen of the country where a consular office headed by him is opened. There is usually no salary paid in such cases. Only reimbursement of current expenses.

Otherwise I will be carrying out all the functions that go with the status of a regular consul. Including, which is very important, protecting the interests of Philippines citizens on the territory of the Far East. So far it is mainly sailors visiting our ports. I have the right to certify various documents and issue visas and permits for trips to the republic.

[Pavlov] Why did the Philippines develop an interest in the Far East and particularly Maritime Kray?

[Kostyukov] The ties between our countries go back a long way. Thousands of sailors from both sides can confirm it. The Philippine republic was selling us coconut oil and raw materials for the food processing and chemical industry. Today, the republic is extremely interested in buying in the Far East semifinished parts for furniture production, various metal constructions, aluminum, bituminous coal, oil, petroleum products, various class vessels, and aviation equipment. And, generally, for the Philippines, Maritime Kray is the shortest and most reliable route of contacts with Russia.

[Pavlov] Do our interests coincide in any way with the Philippines interests?

[Kostyukov] Unquestionably so. Let us start with the fact that the political situation in this country is very stable, which is very important for cooperation. The republic opened its doors wide for foreign investment. For instance, every foreign entrepreneur who invests more than \$75,000 into this country's economy is granted a preferential tax treatment. Actually, their taxes, unlike Russian ones, do not exceed 40 percent under any circumstances.

Tourism is a tremendously promising sphere for both countries. During our stay in Manila, our delegation was inundated with offers to organize tourist trips. There is no doubt that the flow of tourists from Maritime Kray will be enormous. Judge for yourself: The round-trip ticket Vladivostok-Seoul-Manila costs only \$775. The entire flight, including one-hour stopover in South Korea, takes six hours. Philippine goods are much cheaper and of much better quality than in other neighboring countries. Hotel service is on a level of world standards and costs half as much.

[Pavlov] Is there a plan for developing bilateral relations between Maritime Kray and the Philippines on the government level?

[Kostyukov] Naturally. By Ye. Nazdratenko's order, preparations began for the reception of the Philippine government delegation in Vladivostok. Then a reciprocal visit of Maritime Kray delegation to Manila will follow.

### Maritime Kray October Elections Previewed

944F1227B Vladivostok VLADIVOSTOK in Russian  
10 Aug 94 p 3

[Article by VLADIVOSTOK correspondent Valeriy Venevtsev under the rubric "Politics and Reality": "Opposition Decided To Make Life Difficult for the Governor"]

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[Text] *"I am risking a lot"*—(From Ye. Nazdratenko's interview to POSTFACTUM agency).

The date has been set for elections of a Maritime Kray governor—the first in history. On 2 August, Yevgeniy Nazdratenko, head of the Maritime Kray administration, signed all the required papers. The date has been set: 7 October; a special statute on elections is approved, which regulates the process of electing the kray's chief functionary. From this moment on, the life of power structures and everyone in some way related to politics will be measured by the only yardstick: Will Nazdratenko win or lose?

Electing the head of the executive branch is a serious process, and the kray administration began preparations for it a long time ago. The first time Nazdratenko announced his intention to hold elections was back in May in an interview to VLADIVOSTOK. He said then that he had sent a letter to the president's staff with the request to permit gubernatorial elections "as an experiment."

For several months, the kray administration was silent on the subject of Moscow's reply, but, meanwhile, Nazdratenko regularly made statements that Maritime Kray needs an elected governor more than air. Finally, several weeks ago the krayizbirkom [kray electoral commission] chairman Sergey Knyazev reported that permission had been received from the federal organs. According to Knyazev, both the president's staff and the Central Electoral Commission approved the "local initiative." The federal organs decided that electing the head of the executive branch of a Russian Federation component is the component's business.

After that, the White House began preparing the normative base for the elections. Shortly after 20 July a special commission was set up, headed by Igor Lebedinets, to draft a gubernatorial elections statute. Apparently, the existing federal legislative base that regulates elections of administration heads did not suit the kray leadership.

The kray law on gubernatorial elections was put together in the spirit "a la kraykom" [kray party committee]. The commission for drafting the statute included exclusively representatives of organs subordinated to the kray administration and two specialists on state law, Sergey Knyazev and Yevgeniy Khrustalev, who were brought in on a remuneration basis. (Last time when the statute on the kray дума and organs of local self-rule was being adopted, they prepared these documents as well, for which they were paid R2 million. The size of the current fee is jealously guarded).

The kray administration completely controlled the process of preparation for gubernatorial elections. Moreover, all important actions on the preparation of the future election campaign were conducted strictly behind closed doors. The public was not permitted to participate in the norm-making activity or even observe it. Over the entire month, not a single journalist was able to attend

any meetings of the commission drafting the statute. Even the concluding meeting, which took place on 2 August and where the kray law on gubernatorial elections was finalized, was conducted in the atmosphere of secrecy.

The kray organs only presented Maritime Kray residents with the fait accompli of already adopted decisions. The only semblance of a democratic discussion of the document to be adopted was Yevgeniy Nazdratenko's meeting with representatives of political parties, at which he offered to submit their remarks on the draft statute on gubernatorial elections. Only seven days were given, however, to produce remarks and proposals. As a result, only two parties submitted remarks—the communist and the republican parties. And the Republican Party [RPR] "remarks" contained no remarks at all anyway.

In his message to the krayizbirkom, Igor Alekseyev, chairman of the RPR kray organization, wrote: "The hasty discussion of the statute shows that there are certain forces in the kray interested in soonest possible adoption of this statute. Even a superficial study of the temporary statute shows that it is aimed at liquidating the multiparty system in Maritime Kray. (...) In these circumstances, only the governor and a proxy, selected in order to create the appearance of an alternative, will collect the necessary number of signatures (30,994—Ed.). There is not even a trace of democracy in this."

Analyzing the circumstances of adoption of the elections statute, it becomes clear that the election campaign in Maritime Kray will differ on principle from analogous actions in other regions of the country. Before us, some oblasts in Siberia and Central Russia elected their governors.

Elections of administration heads there were held by the same pattern. The previous head of the administration for some transgressions was removed from power by the appropriate soviet of people's deputies, after which elections were set. Thus, the purpose of elections was to resolve the existing political crisis.

In May of last year, Maritime Kray also faced the prospect of having to elect the head of the executive branch—Kuznetsov was dismissed. However, kray deputies were unanimous in their sympathy for the general director of the Vostok Mining Company and did not want to leave his career to the electoral chance. He was approved. Half a year later, having been disbanded by Nazdratenko's decree, they bitterly regretted it.

Over the year of work of the new Nazdratenko team, the situation changed qualitatively. The main indicator of such changes is the fact that the kray administration itself initiated the elections. Such a step is taken only when one is completely certain of victory. Had Nazdratenko's position been shaky, the administration would never allow elections to take place—or, more precisely, would do anything to keep it from happening.

After all, nobody was even mentioning elections in the spring when Vladivostok was in the aftermath of sorting out the Cherepkov affair and the population was vacillating whose side to take. Neither is it good for Nazdratenko's team to hold elections next winter or spring. In this case, the election procedure will be controlled by the newly elected kray дума, while the Maritime Kray population will be worn out by the hardships of the heating season.

In other words, the elections set for 7 October do not pursue a goal of resolving a political crisis; on the contrary, their purpose is to strengthen the position of the ruling political elite. Fall, and only fall is the best time to ensure the unanimous "yes" for the current governor's team.

Right now is the time when Nazdratenko is in the situation that would make any politician envious—the old opposition (as represented by Mayor Cherepkov, former Kray Soviet Chairman Grigorovich, and president's representative Butov) has been crushed, and the new one has not really formed yet. In addition, right now the kray administration has concentrated in its hands all power functions. It controls the apparatus, temporarily has the powers of a representative organ, controls internal affairs organs, appoints and removes heads of rayon administrations, and forms the kray electoral commission. The latter enables it to directly influence the electoral process. Of course, nobody accuses Nazdratenko's team of an attempt to influence the expression of Maritime Kray residents' free will; however, it does of course have such an opportunity.

Still, despite the conditions that are so unfavorable for the opposition, the latter is gaining strength with every passing day. And the antagonists of the current authorities are sprouting precisely where in the times past Nazdratenko found support and resources, drew administrative cadres from. First and foremost—the PAKT [Maritime Kray Joint-Stock Corporation of Goods Producers].

On 29 July, PAKT held a shareholders meeting. Observers noted that directors of three major PAKT founders—the VBTRF [Eastern Shore Trawler Fishing Fleet], Spassktsment, and Vostoktransflot—ignored the meeting. According to other sources, they held their own meeting, with the participation of Anatoliy Pavlov, former vice governor for financial policy.

The demonstrative gesture of the "goods producers" group has a simple explanation. Several weeks ago, the PAKT leadership, without any consultations, put up for sale at the stock exchange large blocks of these enterprises' stocks. Some of these blocks already have been sold to Moscow investors.

Moreover, in the interview to the VLADIVOSTOK correspondent, former Vladivostok Mayor Viktor Cherepkov, who is currently under investigation, said

that he does not preclude the possibility of his collaboration with enterprises that split from the PAKT. In other words, what we see is a forming of a political-economic group in opposition to the current Maritime Kray leadership. It is unlikely, of course, that, in the short time left until the elections, this group will be able to field serious competition to gubernatorial candidate Nazdratenko, but it can make his life difficult.

There is one more aspect. Just recently, a VLADIVOSTOK correspondent learned that a group of persons in opposition to Nazdratenko intend to challenge the very fact of holding gubernatorial elections. According to our information, in the near future, the statute on gubernatorial elections signed by Nazdratenko will be challenged in court. The opposition will try to prove that this statute contradicts Russian legislation and must be repealed. Translated into normal language, in the event of a positive (for the opposition) outcome, this will result in canceling the elections.

Nazdratenko is indeed risking a lot, even though he is holding elections at the time most propitious for him. The election campaign, which is getting underway, will still bring him a lot of unpleasant surprises.

#### **Novosibirsk's Readiness for Winter Examined**

944F1183A *Novosibirsk VECHERNIY NOVOSIBIRSK*  
*in Russian 3 Aug 94 p 6*

[Unattributed article: "The City Will Approach Winter in a Normal Way, Even if Some Lose Their Heads"]

[Text] —That is the way the mayor summed up the difficult discussion that was held at a meeting of the collegium, warning at the outset that this was not a window-dressing meeting, and that clear and impartial information was necessary: Objectively—there are many, many problems.

The "proceedings continued." Absolutely feeble figures were mentioned (when you consider that it was August outside), and unpleasant facts were cited... Everything corroborated the fact that "no one has yet gotten steamed up" in preparing the city's thermal power system for winter, as one important director used to say in his time.

Only 36.8 percent of repairs of boiler units at thermal sources was accomplished, and 25 percent of the turbine-driven sets and only one of the hot-water boilers was put in order.

Work that was planned for the main line thermal networks was completed on...two of the 29 sectors by the end of July. The schedule for eliminating defects after the spring ordeals was disrupted. Only half the work on the intra-quarter networks was accomplished. Out of 246 TsTP's [Central Thermal Point], eight underwent thermal inspection, out of 270 boilers—six. Out of 2,543 municipal buildings with central heating, 849 were

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inspected by 21 July, which is half of last year's similar index. But there are still the schools, hospitals, and official housing...

It is impossible to convey in several lines what was said at this meeting of the collegium with more or less emotional fervor.

The only thing that was uttered by various people that has become glaringly typical in our miserable reality is the word "billion." Thirty-nine billion—this is Novosibirskenergo's fuel debt; more than 100 billion is needed for fuel, more than 19 billion is hindering the repair campaign because of lack of spare parts, and 30 billion is the indebtedness for wages to workers of the TETs [Thermal Electric Power Station] and other sub-units that have not been getting them since April.

"The situation is critical," Georgiy Mungalov, chief engineer at Novosibirskenergo, said heatedly, "in 10 degrees of frost, not more than 3-5 degrees of warmth can be expected."

There is no concrete. There is no gasoline. There is no money. There is no... There is no... It seems that it was not the directors responsible for the assumed work who came to the microphone, but ordinary clerks. Therefore, the question of First Deputy Mayor Nikolay Zhivotrev sounded logical: "Is it only the lack of resources that is hindering repairs of the TETs, networks, and so forth?"

It turns out—not only, although there really is not enough money. It turns out that there is also a lack of organization and a breach of technological discipline, and all the rest our native countryman is so famous for, when there is an opportunity for profiteering on objective difficulties.

"Therefore, we do not advise laying down conditions and scaring us with strikes," said Deputy Mayor Anatoliy Kazanov, who is responsible for getting the city prepared for winter. "Your only guarantee is the mayoralty, and you have enough resources from it for mutual offsets. Will there be no heat from the TETs? So, it is not necessary. All the plants for which you are responsible by order of the president will be cut off, but housing will be heated."

Deputy Chief of Administration Gennadiy Mamon and Mayor Viktor Tolokonskiy informed the members of the meeting of the tough decree of the governor that was being prepared.

Moreover, Viktor Aleksandrovich, after requiring that he be presented a full schedule of repair work with recommendations on sources of financing, forbade buyers to spend even a ruble on anything other than heat routes.

"You must know and tell everyone: Every day from 0900 to 1000 I receive people with 'winter problems'—any problems, even those that seem the most trivial," the

mayor added. He called on the heads of rayon administrations to increase their personal responsibility and warned: A special commission will monitor payment to electric power, water, heat, and sewer enterprises every day. It is no laughing matter.

It is at this point that mention of "heads" was made.

### **Rumored Bankruptcy of Enterprises Refuted**

944F1183B Novosibirsk VECHERNIY NOVOSIBIRSK  
in Russian 2 Aug 94 p 3

[Interview with Dmitriy Vasilyevich Frolov, department chief of the territorial Agency for Enterprise Insolvency (Bankruptcy), by unidentified correspondent; place and date not given: "There Are No Bankrupts at Present"]

[Text] "There is no truth to the rumors that allegedly some Novosibirsk enterprises have been declared bankrupt and their directors removed," Dmitriy Vasilyevich Frolov, department chief of the territorial Agency for Enterprise Insolvency (Bankruptcy), told a VECHERNIY NOVOSIBIRSK correspondent.

But the reason for the interview with the new "very promising" structure was this: The director of one of the large Novosibirsk defense plants did not show up for work at a time when the state of affairs is sad, the enterprise is being eroded by nonpayments, there is nothing with which to pay workers, and many of them were forced to take leave without pay.

This is what Dmitriy Vasilyevich said:

[Frolov] This kind of situation, alas, is typical of many Novosibirsk enterprises, but I especially emphasize that not only have none of them been declared bankrupt, but none of them are on the list for this very difficult and complicated procedure. Yes, insolvency for one or another reason makes normal activity for an enterprise extremely difficult. But this does not in any way mean that it is bankrupt. The task of our territorial agency, as of the entire federal administration, is to get these enterprises out of such a condition.

[VECHERNIY NOVOSIBIRSK] But this is hardly within the power of the government itself.

[Frolov] There is a mechanism for this which includes selling the enterprise, if it is impossible to revive production. But for this, it must first be declared bankrupt. But I declare once more: Not one Novosibirsk enterprise has been declared bankrupt. Moreover, even those that are insolvent do not have to be mentioned by name. This can do more damage...[end Frolov]

Incidentally, the director who "did not make an appearance," it turns out, was on leave. He did not take leave for two years, but now, finally, he came to the conclusion that without a general improvement in the economy on a state level, his continued "standing watch" would be of no use. At least to the health of the director.

Detailed material on the problems associated with the bankruptcy of enterprises, about which Vladimir Timofeyevich Churkin, director of the agency, who has just returned from a business trip to Moscow, is prepared to tell us, will appear in forthcoming issues of *VECHERNIY NOVOSIBIRSK*.

### Slight Decrease in Local Crime Minimized

944F1182A Novosibirsk *VECHERNIY NOVOSIBIRSK*  
in Russian 2 Aug 94 p 4

[Article by Irina Timofeyeva: "The First Half Year: The Criminal Situation"]

[Text] More than 37,000 crimes were reported in Novosibirsk Oblast during the first six months of the year, which is 6 percent less than during the same period of last year. For the first time in recent years the criminal situation is characterized by a certain reduction of crime. But, as was noted in an analytical memorandum from the internal affairs administration, the oblast, which occupies a place close to 20th in Russia in terms of the size of the population, is firmly ensconced in the "leading" group in terms of its crime level. We shall not discuss the causes now, let us look at how these two points look in facts and figures.

Street crime has decreased by almost 36 percent. The increased patrolling and the comprehensive operations Signal, Trassa, Pautina, and others have played their role. Oblast leaders allotted R1.8 billion to acquire 144 motor vehicles. Administrative charges were filed against 255,000 violators of the law, a 2.4-fold increase over the same period of last year. Fewer thefts and burglaries, including in apartments, were reported. But the decline affected mainly the less dangerous kinds of crime.

There was an increase in the number of crimes against individuals. The number of premeditated murders increased—by 27, and cases of serious bodily harm—increased by 40. Of the overall number of murders, four can be included among so-called contract murders. All of them are still unsolved.

The growth of serious domestic crimes is causing special alarm. Their number increased by 12.5 percent (700 as against 622 during the first half of 1993). Every other murder and every third case of serious bodily harm was committed in the home. The greatest increase among city rayons was noted in Zayeltsovskiy and Leninskiy.

Crime committed while intoxicated took a sharp upturn this year. Every third crime was committed while intoxicated. Including almost 66 percent of the muggings and almost half of the robberies, 82 percent of premeditated murders and murder attempts, and almost 40 percent of the burglaries.

The number of property crimes is decreasing again this year, but not as quickly as before. But during the first half year the number of burglaries of citizens' dwellings increased by one-third.

The problem of "disappearance" of weapons is critical. During the half year 197 crimes involving firearms and explosives were reported in the oblast (28 percent less than during the same period of last year). Almost half of them were investigated. In order to close off and eliminate channels through which weapons go into criminal circulation, a special criminal investigation subdivision was created. A total of 2,090 weapons were confiscated from citizens and taken out of illegal circulation, 2.7 times more than last year.

During the first half year almost 18,000 crimes were discovered and investigated, which is 16 percent more than during the same period of last year. The percentage of investigation of criminal cases was 45.1 as against 44.4.

The criminalization of the economy is being reflected in the militia statistics as well. The number of thefts in large and especially large amounts increased by 8 percent. Crimes in the sphere of credit and banking relations are being reported more and more frequently. The total damages discovered amounted to R700 million. Theft using forged letters of credit amounting to R2.9 billion were prevented. More bribe-takers were discovered in the system of the state service and organs of economic administration, including the chairman of the state committee for administration of state property of one of the rayons in the oblast, and the director of a combine in the system of state reserves, who stole almost R3 million worth of fuel. Property confiscated from individuals violating the rules of currency operations included one kilogram of gold and 40 kilograms of silver. There were 127 cases of sale of counterfeit money.

For those readers who are not tired of this yet, who are bothered by the problem, I will take the liberty of giving a couple more typical figures.

Crimes committed by minors increased by 16 percent, and every fifth reported crime was committed with their participation. The proportion of crime committed by the adolescent criminal in our oblast exceeds the average for Russia. Almost half of the thefts and one-third of the muggings and burglaries were committed by adolescents or with their participation. They committed a total of about 3,500 crimes and one-third of them were committed in groups. Analysis shows that these groups are random and not stable.

Every fourth crime was committed by a repeat offender, that is, the level of recidivism in crime remains high.

It would seem that the readers have already had their fill of figures, although I have given only a small part of them. But even this part shows what kind of, frankly, global measures (social, economic, and others) must be taken by the authorities in order to stop the crime wave. The militia sees its mistakes and omissions, is looking at the situation soberly and trying to locate reserves. And this is an appreciable step when the danger is assessed adequately. It is emphasized in information from the

internal affairs administration: "Certain positive achievements in the dynamics of crime do not provide grounds for concluding that the operational situation has begun to stabilize. Its basic features, as before, are still intensive growth of quantitative characteristics of crime into negative qualitative ones, the growing degree of public danger, the audacity and aggressiveness of criminal elements, and their reorientation toward crimes that promise maximum gain."

The collegium of the internal affairs administration recently analyzed the situation and the militia actions from the results for the half year. I asked the chief of the internal affairs administration, A.N. Soinov, two questions:

[Timofeyeva] What organizational conclusion followed?

[Soinov] Certain leaders of rayon departments and administrations have been deemed unfit for their positions. From the results of the third quarter some people will have to leave their positions because of improper provision of operational-official activity on the part of organs entrusted to them. I repeat—entrusted to them. But on the whole I am satisfied with the attitude of the personnel toward their work. Each percentage point of increase in solving crimes involves hard work which a person far removed from our service finds it difficult to imagine. During the half year it was necessary to break down certain established negative tendencies, for example, the view that a fondness for alcohol is something ordinary. Demands are being increased. There have been positive strides in the process of self-purging of collectives. One of the organizational measures was to create our own internal militia inspection, which has already produced results.

[Timofeyeva] You have been functioning for little more than a half year. Vadim Lapov, an operations official for criminal investigation in Moshkovskiy Rayon, died leaving a widow and two daughters. I know that you were at the funeral....

[Soinov] It is difficult to speak of this tragedy. As chief of the administration I cannot but feel that I am to blame. This means that we have not yet created a situation that would make it possible to eliminate such outcomes. But you yourself understand that it is impossible always to anticipate everything in our work. Lapov acted correctly and courageously. The most difficult thing is to teach a normal person to think in the categories of these scoundrels, these wolves. But we must be able to do this regardless of how sickening it may be to human nature.

P.S. Suspects in the murder have been arrested.

#### **Muscovites Polled Support State Protection of Ethnic Russians**

944F1172A Moscow MOSKOVSKAYA PRAVDA  
in Russian 20 Jul 94 p 3

[Listing of poll results: "Self-Portrait in July"]

[Text] "Do you feel yourself a citizen of the Soviet Union as before?"

yes—9 percent  
to a certain extent yes, to a certain extent no—52 percent  
no—39 percent

"Do you feel yourself a citizen of the Russian Federation (Russia)?"

yes I do—68 percent  
to a certain extent yes, to a certain extent no—27 percent  
no—5 percent

"Do you consider a political unification of the CIS countries necessary?"

necessary—12 percent  
desirable—27 percent  
impossible—31 percent unnecessary—30 percent

"How necessary, in your opinion, is a unification of the CIS countries into a unified economic system?"

necessary—16 percent  
desirable—35 percent  
impossible—21 percent  
unnecessary—28 percent

"Should Russia protect the rights of Russians who are living in the states of the near abroad—the former republics of the USSR?"

April 1993:

yes, sooner yes—77.1 percent  
no, sooner no—7.5 percent  
difficult to answer—15.4 percent

July 1994:

yes, sooner yes—82.6 percent  
no, sooner no—5.4 percent  
difficult to answer—12.0 percent

"How should Russia proceed, from your point of view, in protecting the Russians in the near abroad?"

April 1993:

take diplomatic steps—40.4 percent  
impose economic sanctions—30.2 percent  
employ the army for mediation and peacekeeping purposes—14.7 percent  
employ the army as a means of force—6.8 percent  
any measures are good—7.9 percent

July 1994:

take diplomatic steps—53.6 percent  
impose economic sanctions—28.2 percent  
employ the army for mediation and peacekeeping purposes—11.4 percent  
employ the army as a means of force—2.0 percent  
any measures are good—4.8 percent

(612 Muscovites took part in the poll.)

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**Moscow's Crime Rate Continues To Rise**

944F1172B Moscow MOSKOVSKAYA PRAVDA  
in Russian 21 Jun 94 p 1

[News item by F. Vladimirov: "The Criminals Are Going for a Record"]

[Text] A briefing was held yesterday at the GUV D [Main Administration for Internal Affairs] of Moscow on the topic "The Crime Situation in the City Over the First Six Months of the Year." Moscow GUV D TsOS [Central Statistical Department] Deputy Chief Vladimir Vershkov spoke to the journalists.

He said that there were 34,610 crimes recorded in the capital in the previous six months, which was 9.3 percent more than the analogous period for the prior year. Specialists note that the number of cases of extortion, crimes in the realm of economics and those against people have increased. There were 813 murders, 435 cases of grave bodily injury and 204 rapes over the first half of the year. There were 208 armed attacks on the drivers of motor transport. The number of apartment burglaries increased by 15.9 percent. One out of four crimes in the city, according to the statistics of the Moscow GUV D, was committed using a firearm, with 56 criminal bombings also recorded.

The officers of the RUOP of the Moscow GUV D freed 194 hostages and detained 138 organized criminal groups. Some 1,118 firearms were confiscated from criminals, along with four grenade launchers. Some 23,301 people were subjected to criminal and administrative liability over that period.

**Director of New Petersburg Science Council on Role, Tasks**

944F1154A St. Petersburg NEVSKOYE VREMYA  
in Russian 2 Aug 94 p 1

[Interview with Aleksey Yelyashevich, by Arkadiy Sosnov: "The Government to St. Petersburg Scientists: Don't Wait for the Impossible"]

[Text] The city's government is larger by one more structural unit—the Science and Higher Education Department has been created. Henceforth the Council on Science and Higher and Secondary Special Education, which previously existed within the framework of the mayor's office, will be a consultative agency—the Science Council of the St. Petersburg government. Professor Aleksey Yelyashevich, doctor of physical and mathematical sciences, has been appointed director of the new department. He had the following conversation with our commentator Arkadiy Sosnov.

[Sosnov] Aleksey Mikhaylovich, the department about the need for which scientists have been talking for a long time has finally been created. Is this better late than never?

[Yelyashevich] It would have been better if it had been earlier. St. Petersburg's share in Russia's scientific-technical potential constitutes no less than 15 percent on the basis of all indicators. Our city must remain the major scientific and educational center that was envisioned by Peter the Great, who founded the Academy and the University together, as a single whole. One of the state's tasks at the federal and regional levels is to create the conditions under which the bond that was broken in previous years can be restored. And that is the task that is confronting our department.

The sphere of our activities also includes secondary vocational education. Colleges, schools, and technicums must be included in the first step of higher education and must be brought up to the level of the higher school system. This is a European tradition, and we do not have the right to allow a weakening of the secondary link in the educational chain.

One of the problems of our higher school system is the decrease in the number of students from other cities. This is a dangerous tendency, inasmuch as St. Petersburg always used to train cadres for Russia as a whole. It cannot be said that no attempts are being made in the educational institutions to overcome this tendency. But not every higher educational institution is able to establish contacts with all the oblasts and regions in the search for capable young people. I hope that our department's coordinating role will be beneficial.

[Sosnov] Most of the city's scientific institutions and institutions of higher learning are under federal subordination. Can they count on meaningful support from the municipal authorities?

[Yelyashevich] Of course St. Petersburg cannot allocate the considerable amounts of money needed for the development of science and higher education. The reason is the lack of income from the sale of petroleum, gas, or grain.

Therefore the department will strive first of all to assure that federal financing will be both sufficient and timely. The funds must arrive both in the form of the base financing for scientific organizations, and on a competitive basis, in the form of grants. We are applying efforts to assure that a representation of the Fundamental Research Fund will be opened in the near future in St. Petersburg. In addition, we support the idea of creating in our city a second federal fund for supporting science, about which your newspaper has already reported.

[Sosnov] The role of spokesman for science when dealing with the federal authorities is a necessary and honorable one. Nevertheless, what are the prospects that specific projects in which the city has a self-interest will be financed from the municipal treasure?

[Yelyashevich] "Self-interest" is a broad concept. For example, an appropriate governmental committee deals with projects directly designed for the city management.

But the city also has a self-interest in many areas—in developing fundamental science; in the effective use of the achievements of applied science; in the preservation of scientific collections; and in humanitarian projects, for example, in serious sociological studies. The Science Council of the St. Petersburg government will have to develop a policy for supporting science and higher education.

We will strive for a situation in which, in the city budget, beginning in 1995, the funds for the development of science and higher education are stated on a single line. In what volume? In my opinion, no less than 2 percent of expenditure part of the budget.

[Sosnov] How much is being currently allocated?

[Yelyashevich] A fraction of one percent.

[Sosnov] Have funds been released for such already developed programs as "St. Petersburg's Scientific-Technical Potential," which are financed on parity principles—from the federal and municipal budgets?

[Yelyashevich] Yes, last year small amounts of money for that program were released by the city. But none this year. Once again I would like to mention that the basic sources for financing science lie outside the confines of the city treasury. The funds from the St. Petersburg budget must play the role of catalyst in the processes of financing from federal and international funds, and must encourage the creative activity of the scientists, especially the young ones.

[Sosnov] Aleksey Mikhaylovich, you are a professional scientist who has worked for many years in an academy institute, and you must understand that the scientific community is literally sick and tired of waiting for support, primarily financial. Aren't you afraid that the new department will become the victim of vain hopes and overstated demands?

[Yelyashevich] In order to prevent that from happening, I shall always try to tell my scientist colleagues the truth and not to promise them the impossible.

### **Petersburg Home to Russian-German Gas Turbine Enterprise**

944F1154B Moscow ROSSIYSKIYE VESTI in Russian  
2 Aug 94 p 2

[Article by ROSSIYSKIYE VESTI correspondent Yuriy Kukanov and ROSSIYSKIYE VESTI special correspondent Mikhail Paliyevskiy, Berlin-St. Petersburg-Moscow: "Days of Different Turbines: The Assembly of Powerful World-Level Gas Turbines Has Begun at a Joint Russian-German Enterprise in St. Petersburg"]

[Text] In bygone years I used to hear various people say, "If you want to live, learn how to hustle," but somehow I never noticed that in order for anyone to "hustle," he had to do a fair amount of work and give as much as he got. But times have changed...

A group of us Russian journalists flew into Berlin on a morning that was overcast and rainy, but the flight was on time. The aircraft engines had barely quieted down before the landing ramp was put in place. Two or three minutes later, we were in the air terminal: our baggage was already awaiting us at a baggage carousel. "This can't be!" one of my associates exclaimed in amazement. "Yes, it can," another associate countered, "if you hustle. You have to know how to work!"

Leaving the airport, we immediately set out for the Berlin Gas Turbine Plant that belongs to the Siemens company. Some of the world's best gas turbines—economical and powerful ones—are assembled there. But it is not enough just to make turbines. You also have to sell them, and that requires new markets...

Twelve percent of all the electricity produced on the planet by thermal electric-power stations is produced by steam turbines with the trademark of the Leningrad Metal Plant, which is located in St. Petersburg. That plant makes every ninth steam-powered energy unit in the world. Their production at what is now the LMZ [Leningrad Metal Plant] AO [joint-stock company] grew last year by almost 10 percent. But the people at LMZ realized long ago that, under the conditions of the market, they cannot stand still. Today humanity is attempting to produce electricity by using safe and ecologically harmless energy units. For electric power plants like that, with a steam-gas cycle, it is necessary to have high-capacity gas turbines. But they are not made on the shores of the Neva. On the other hand, they are assembled at enterprises of the world-famous German Siemens concern? What is the way out?

I shall not describe in detail how, in North Palmyra, the interests of the turbine builders from the two countries converged. I shall discuss the main thing: the symbiosis of Russian scientific-technical potential and German know-how led to the birth in July 1991 of the Interturbo joint enterprise. It was built by the Siemens concern and the LMZ AO. It was decided: slightly more than 53 percent of the statutory capital belongs to LMZ, and the rest to Siemens. The basic tasks of the Interturbo SP [joint enterprise] are the production of large-capacity gas turbines (including the maintenance and repair services for them) and their sale in Russia, the CIS countries, and other countries.

"We realized," Peter Schwegman emphasized, in a conversation with us at the Berlin Gas Turbine Plant, "that you cannot make 'a fast buck' in Russia. It is necessary to have long-term, mutually advantageous cooperation. And the creation of the Interturbo SP is one of the ways to establish that kind of cooperation. We consider Russia to be one of our most important partners. Europe cannot survive without an economically strong, stable Russia. We view the Interturbo SP as a step on the path to that." No one can have any doubt about the sincerity of Peter Schwegman's words: he did a lot for Russian-German economic ties when, for five years, he headed a representation of the Siemens concern in Moscow. Currently

Peter Schwegman is working as the chief of the division in charge of sales of electric power stations operating on mineral fuel in the East European and CIS countries, which is part of the Energy Production Department.

The partners did not waste any time: Berlin and St. Petersburg exchanged specialists for purposes of training, the exchanging of experience, and for adapting to the conditions for working jointly. In Devytakino, outside of St. Petersburg, the remodeling of a large shop began. Soon a modern production entity was created there on an area of 8000 square meters, and was equipped with the latest equipment and installation and test stands. Siemens is rigorously implementing its motto "Precision down to the smallest details." And that kind of precision is necessary when assembling a huge turbine: the multiton behemoth of a machine has to be assembled with a precision of only hundredths of a millimeter. But Jochim Wolski, the head of the quality control division, did not have any complaints about the work performed by our guys.

So this is the result: on the basis of a work order placed with the Berlin plant of the Siemens concern, the Interturbo SP has already assembled and sent abroad the first two powerful turbines. Moreover, as the specialists from the two countries point out, their quality is on a par with that of the customer plant in Berlin. (We can do something if we want to!) Currently an additional gas turbine is being assembled, but this one is for Russia. It will be sent to Nizhny Novgorod, where an electric power plant is being remodeled.

"We get all the components from Germany," shop chief Yevgeniy Miroshnichenko says. He heads production on parity principles with Karl Heinz Langhammer. "But this is the first time that domestically produced components will be used on this Nizhny Novgorod turbine. We have already received components for the combustion chambers. Today LMZ shareholders have been to assimilate the production of disks, the outer and inner housings of the compressor and the turbine, bearings, and parts for the oil tanks."

"Ideally, of course, it is necessary to organize the production of all the turbine parts at our enterprises," Valeriy Kondratyev, general director of Interturbo SP on the Russian side, says. "After all, each machine weighs approximately 220 tons, and all of this has to be shipped from Germany. Today, realistically speaking, it is possible to locate the production of only 15-20 percent of the components at enterprises in St. Petersburg, largely at LMZ. But the most important thing is that, according to an understanding with the German side, the share of domestically produced components will gradually increase. And in the near future we shall assemble turbines that, practically speaking, are made only out of our own parts, and they will be at the world level—the Berlin level! According to computations made by specialists, that will make it possible to achieve a considerable reduction in the cost of machines with the Interturbo trademark. For the time being, they are rather

expensive—as much as 50 million German marks. The expenditures, however, pay for themselves as a result of the lesser consumption of the fuel that is constantly getting more expensive: the efficiency of the machines is 10 percent higher than that of nuclear power installations."

The portfolio of Interturbo production orders includes a machine for the Northwest TETs [heat and electric power plant] in the outskirts of St. Petersburg. Its construction will begin next year. The joint enterprise's plans include a considerable increase in the production of turbines with various capacity, including those for industrial and municipal electric power stations. The installation of so-called hybrid burners will make it possible to optimize the burning of gas with an increased efficiency and to cut down the harmful emissions. Dietrich Krueger, first deputy general director of Interturbo on the German side, views optimistically the possibilities of expanding the sales market. With the stabilization of the Russian economy, it will be inevitable to begin the process of modernizing and remodeling of the thermal power stations, at some of which, in our country, the equipment has not been renewed in the past five years.

But that is in the future. For the time being, it is necessary to resolve economic problems that are painful for our entire economy. The legislative base and tax system in their present form are contributing little to the influx of investments. It is necessary, for example, to obtain Italian equipment for producing parts for the turbine rotor. Its cost—2 million marks—has been included in the statutory capital. But the general director and his deputy are thinking about where to get an additional half-million marks in order to pay the customs duty and the NDS [value-added tax]... Because the appropriate edict that was recently signed by B. Yeltsin does not extend to each specific instance...

The turbine rotor turns at a furious rate of speed. And that speed, as it were, is transmitted to people, recalling the old saying, "If you want to live, learn how to hustle." It reminds people: you cannot sit idly or stand there with your hand held out to the state treasury. Obviously, under market conditions.

After returning from the Berlin plant to the hotel, I was surprised to find in my jacket pocket several cigarette butts. Then I remembered: it is so clean in the plant shops and on its grounds that it would have been shameful to throw them on the asphalt. Well, people also have to be taught to be clean and orderly. And it's never too late to learn. And there is nothing to be ashamed of. It is to our mutual advantage.

#### **Leningrad Naval Base Commander Grishanov Interviewed**

944F1141B St. Petersburg SMENA in Russian  
30 Jul 94 p 4

[Interview with Vice-Admiral Vladimir Grishanov, senior naval commander, conducted by SMENA correspondent Nikolay Kudryavtsev: "The Fleet Is in Need of Reform, Not Rebirth"]



[Text] In one of his program speeches to the Duma, Petr Stolypin, explaining his interpretation of the forms of protection of long-term national interests of the state, concluded: "A fleet is a necessary accessory of any great power which has a sea." Considering the fact that even after the disintegration of the Soviet Union, Russia continues to have the longest maritime boundaries in the world—around 38,000 kilometers, Stolypin's formulation has not lost and will never lose, its current nature.

Our first strategically significant naval force became the Baltic Fleet, which was founded by Peter the Great at the same time as Petersburg. The wharfs and educational institutions of our city were the starting points for the most powerful combat ships and their crews. Therefore, the Leningrad Military-Naval Base (LenVMB) is rightly considered to be the oldest.

On the eve of the Day of the VMF [Military-Naval Fleet], the commander of the LenVMB—Senior Naval Commander and Vice Admiral Vladimir Grishanov, answered questions posed to him by our SMENA correspondent:

[Correspondent] Vladimir Vasilyevich! In recent times, practically everyone, from politicians to stars of the stage, is speaking out in favor of "rebirth of the fleet." One gets the impression that it has just experienced a crushing defeat in the Crimean War or in the Tsusimskiy battle...

[Grishanov] On one hand, I am sincerely pleased about the emergence of this interest and the concern over the fate of our country's fleet on the part of anyone who expresses it. However, I can hardly agree with the term "rebirth," which has been put into use by those who are clearly non-professionals. A typical substitution of concepts is taking place here. After all, all the units, ships, naval aviation, etc. created in the USSR by 1991 have been retained and are still active. With what degree of success, that is another question... So that we must speak here not about some mythical "rebirth," but about a deep reformation and reduction of the already existing structures.

[Correspondent] But, undoubtedly, for such reformation it is necessary to have a program which has been substantiated from a scientific and material-technical standpoint, and which has been thoroughly worked out for many years in advance. Does such a program exist?

[Grishanov] Naturally! And its developers (and these were military men, specialists of NII [scientific-research institutes], KB [design bureaus] and plants in the ship-building industry, associates of the president's administration and of the foreign policy, finance and economic departments, people's deputies and many many others) tried to objectively consider the realities which had been formulated within the country as well as in international policy. Two basic principles were taken as the cornerstone of this program. First of all, the "necessity and adequacy" of the combat capacities of the fleet as one of the component parts of the Armed Forces as a whole (if

we speak in card terminology, in this case we must allow neither an "under draw" nor an "over draw"). Secondly, the quantitative and qualitative make-up of the naval units, associations and groupings, their armaments, base locations, supply and repair facilities must be maximally balanced and unified in accordance with the latest ideas of world military science.

Alas, this principle was declared in our country since the 60's, but was almost not realized in practical application. As a result, Russia has received a heavy legacy in the form of a fleet second in size to that of the USA, but not provided with normal conditions of basing and repair. Moreover, a considerable portion of the fixed capital has become outdated and physically worn. Questions of utilization of atomic submarines which have outlived their service life and of nuclear waste have been left unresolved. There are not enough funds for dismantling of even conventional ships and vessels which have been decommissioned! There has been a lagging behind in individual, supposedly "non-basic" classes of ships and types of weapons, without which the effectiveness of the current fleet, nevertheless, is notably reduced. In general, we have more than enough headaches.

[Correspondent] Opinions are often expressed today regarding the strictly continental fate of Russia, for which a fleet is an excess luxury, a "tsar's whim." In other words, the so-called "dry land party", which traces its genealogy all the way back to pre-Petrine times, is once again trying to influence society.

[Grishanov] I am well aware of such lobby discussions in certain circles. We may find a particular abundance of such discussions in the Western press, which is not surprising. However, I am entirely confident that such "parties," which are not very familiar with the much-suffering Russian history of the pacifists "stitching the boots of the Pirozhnikovs" will never gain any real influence among the people, and particularly among the country's leadership.

[Correspondent] Vladimir Vasilyevich, I simply cannot overlook one rather delicate question. What the attitude of the sailors, especially the veterans, to the replacement of the flag of the USSR Naval Fleet with the Andreyevskiy banner?

[Grishanov] Undoubtedly, with an understanding of the rightness of this historic act. After all, under the Andreyevskiy banner, Russians won many great victories over the course of two centuries, and made an entire series of geographical discoveries of world significance. This flag became the legitimate symbol of centuries-old traditions of our fleet!

But the same is true in sufficient degree also of the Soviet naval flag, which was reddened with the blood of the participants in the Great Patriotic War. It surely must take its respected place in the museums, works of art, or on memorial symbols.

[Correspondent] Other most notable indicators of military reform are the universal introduction of service by contract and the introduction of a new uniform. What is your opinion about this?

[Grishanov] In general, positive. Everything in the world flows, everything changes... It is true, the contract system has been practiced in the fleet for a long time now. In important ship's positions, at the head of combat units we have always had professionals: Officers, warrant officers, or petty officers for the enlisted men. The contract conditions which are being introduced make it possible to significantly expand their contingents. It is true, ordinary draftees will also have much to do on the ships as well as in the shore-based units of the Naval Fleet.

As for the uniform, the fashion designers, luckily, have been able to capture the naval preference for healthy conservatism. As a result, unlike the Army men, the changes in the external appearance of our officers and sailors are difficult to spot for the casual observer. Although there were quite a few such changes.

[Correspondent] One way or the other, the questions of high policy and strategy are resolved in the capital. Therefore, let us turn to a topic which is closer to you. Tell us, please, about the primary tasks facing the LenVMB today.

[Grishanov] They are rather varied and complex. This is conditioned by the fact that our wonderful city—"the window to Europe"—remains and, I believe, will always remain the naval center of Russia.

And so, first of all, we are charged with the responsibility for the security of the Russian part of the Gulf of Finland, Lakes Ladoga, Onega and Chudo, and the navigable riverways of the North European region. An important task is the provision for construction of new and repair of existing ships and vessels, including the performance of operational and state experimental testing, as well as the training of crews. On the other hand, the base is responsible for tens of institutions and units of the VMF of central subordination: VUZes [higher educational institutions], the academy, advanced officers' classes, the Nakhimovskiy School, the NIIs, the central military-naval archives and library, the military departments of civilian institutes, etc. All of them are subordinate in the operative plan to Moscow. However, the resolution of various questions which arise on a day-to-day basis in regard to their administrative-management activity, housing, commandant's service, interaction with subdivisions of the Leningrad Military District and city authorities, etc. is placed upon the commander of the LenVMB—the senior naval commander.

The make-up of the LenVMB includes extensive Russian oceanographic and educational detachments. The former provides for the performance of oceanographic scientific and applied research in any region of the

World Ocean in the interests of the VMB and civilian organizations, including foreign ones. The ships and educational centers of the latter provide instruction and naval practice for the midshipmen of most of the naval academies and future junior specialists. Our honorary responsibility also includes the organization of parades of combat ships along the Neva on days of certain state holidays, and the maintenance of a number of naval monuments and memorial complexes in proper order, primarily the Central Museum of the VMF and ship No 1—the cruiser "Aurora". I might add that we, sailors, have a very high appraisal of the quality of work of the St. Petersburg shipbuilders in the capital repair of the cruiser.

As for the central museum, the exchange building is clearly unsuitable for it. Its planning makes it possible to demonstrate to visitors only a small part of the available collections. From 1709 through 1939 the museum was housed directly in the Admiralty building. That is its historical place! The exchange, on the other hand, must belong to those for whom it was built. As they say—"Give to God what is his, and to Caesar—what is Caesars!" Therefore, after development of a number of organizational plans for vacating the necessary space in our building (and there is more than enough of it), the mutually beneficial exchange of apartments, I am sure, will take place sooner or later.

[Correspondent] What role is the LenVMF playing in preparations for celebrating the 300th Anniversary of the Russian Fleet?

[Grishanov] It is participating most directly! We are taking a share participation in the implementation of an entire series of projects. We are speaking of building new monumental complexes in honor of the Russian naval glory, specifically a monument commemorating the 300th anniversary of the fleet and the hero submariner Marinesko. The entire collective of our specialists, in conjunction with scientist historians and associates of the archives, expect to prepare and publish by 1996 the most complete martyrology of Russian naval heroes who gave their lives in service to the Homeland in the 18-20th centuries. A restored submarine-museum of the "Dekabrist" type, which participated in the Great Patriotic War, has been placed permanently on Vasilyevskiy Island and is being prepared to receive its first visitors. Perhaps there will also be other memorial ships. For example, the icebreaker "Krasik," the twin of the legendary Makarov's "Yermak." There are hopes to create a special museum of history of naval weapons in our city. We also have many other plans aimed at raising the sense of national pride in our fleet among Russia's residents, and especially among the young people. However, the difficulties in these endeavors are common knowledge—the extreme instability of budget financing, the bureaucratic red tape, etc. Although we do expect to get considerable help also from various sponsors. I have no doubt that every serious entrepreneur understands very

well the importance of the VMF in ensuring the security of our maritime trade communications, ports and economic off-shore zones.

[Correspondent] In conclusion, let me ask the most banal question. Who occupied this overstated, splendid office before you? Has the portrait of Peter I always hung over your chair?

[Grishanov] After the current admiralty building was built, the apartments of the naval ministers of Russia were housed here, beginning with the first one. These were Admirals N. S. Mordvinov, N. P. Chichagov, F. P. Vranghel and I. K. Grigorovich.

During Soviet times (from 1939 through 1947), the office was occupied by the twice commander of the Red Banner Baltic Fleet, holder of the Order of Ushakov No 1, Admiral V. F. Tributs. This is the permanent work place of all the commanders of the LenVMB—the senior naval commanders.

As for the portrait of Peter I, it is of contemporary work (although the frame is old), and appeared over my chair only in 1992. I believe I do not need to explain whose portraits hung in this spot earlier...

[Correspondent] Comrade vice-admiral! SMENA congratulates you personally, as well as all military naval men, with the Day of the Military-Naval Fleet!

[Grishanov] Thank you! I too, in turn, congratulate those who have in one way or another tied their fates with the fleet—the personnel, scientists and engineer-shipbuilders, the workers, and especially the veterans.

### **Petersburg Plan To Save City's Industries**

944F1224A St. Petersburg SMENA in Russian 5 Aug 94 p 1

[Report by Nataliya Ipatova under the rubric "A Problem": "City Makes Plans To Save Enterprises"]

[Text] In the first half of this year, the volume of production amounted to 74.2 percent of that for last year. Light industry is in the worst situation—production here fell off by 43 percent.

The greatest decline was registered in May (66.3 percent of the level of last year's May). Those that fared best—against the general backdrop—are the food processing industry (83.1 percent over six months as compared to last year's level) and electric power generation (88.6 percent). According to forecasts, 1994 will finish with a 20-percent decline in industrial production as compared to 1993 indicators.

Since the beginning of the year, production of consumer goods declined at 314 enterprises. Of 93 items among the main categories of food processing industry products, production declined with respect to 71. The number of unprofitable enterprises increased 1.7-fold, while past due arrears in repaying short-term bank loans as of 1

June amounted to R66 billion. In June alone, 54 enterprises announced plans to stop production.

In keeping with the trilateral agreement between the mayoralty, trade unions, and employers, the city authorities developed a program of support for St. Petersburg industry in the crisis conditions. The intent is to spend R10-15 billion from the city budget for these purposes in the current year—for instance, financing municipal orders. In addition, an industry support fund is being set up, which, in particular, will deal with conversion programs. Part of the money will come in the form of credits from the municipal bank for reconstruction and development and from the population (the latter through the issuance of special municipal bonds). Finally, there are federal programs that are financed out of the state budget, and it is important for the city to "fit" into them. By the way, several days ago, a number of St. Petersburg enterprises petitioned the government with the proposal to include into one of the federal programs the financing for intended production of complete sets of submersible oil production equipment for exploitation in West Siberia. By preliminary estimates, \$12 million is needed to reach the production level of 500 sets a year by 1997.

### **Petersburg Price Statistics Given**

944F1224B St. Petersburg SANKT PETERBURGSKIYE VEDOMOSTI in Russian 6 Aug 94 p 1

[Unattributed report: "Life Is More Expensive for the Poor"]

[Text] Many people noticed the discrepancy in figures: Last Saturday we reported that, according to the committee on statistics' data, the cost of living for city residents increased in July by 5.7 percent. In the next issue of the newspaper, there was different information: that, according to the data of the labor and employment committee of the St. Petersburg mayoralty, the sustenance minimum in July increased by 11.4 percent.

There is no contradiction in the data, however. Statistics keep track of the across-the-board level of prices, while the labor and employment committee calculates the cost of the "basket" that includes absolute necessities—both goods and services (bread, potatoes, milk, meat, clothing, municipal services).

The discrepancy between the general price level and the cost of the consumer basket shows that prices for goods and services of basic necessity rise faster than those for expensive, prestigious foodstuffs and goods. Life for the poor becomes more expensive much faster than for the well-to-do.

For instance, prices for carrots and beets in July went up by 15 percent, bread—13 percent, and potatoes—by 12 percent. These are the goods that account for the greatest proportional share of the consumer basket of families with modest income. Beef prices went up in July by only



0.9 percent. But its consumption is 27 times less than that of potatoes and 14 times less than that of bread.

In the end of July-beginning of August, both positive and negative trends of July persisted. Vegetable prices are gradually going down—prices for garlic declined by 13 percent, potatoes and cabbage—by 10 percent. This is a purely seasonal decline. At the same time, prices for basic necessities are rapidly rising: Prices for rye-wheat bread increased over the week by 17 percent, bread made of highest grade wheat flour—by 30 percent, and bakery goods made of category I flour—by 21 percent. We have to keep in mind that bread prices also rose during the preceding week. There was a perceptible increase in prices for sugar—by 9 percent, and salt—by 4 percent.

Similar to the rest of July, prices for services are increasing at an anticipatory rate. The cost of bath house services went up by 42 percent, and attendance at preschool child-care facilities—by 40 percent.

Thus, although over the week prices on average increased insignificantly—by 1.2 percent, average city family's expenditures increased considerably more. The slowdown of inflation rate has been achieved through stable prices for expensive goods. Overall, however, the standard of living continues to decline, since purely financial levers used by the government to stabilize the situation in the country do not bring results without an economic pickup.

#### **Leningrad Oblast Farmers Protest Violence**

944F1224C St. Petersburg NEVSKOYE VREMYA  
in Russian 9 Aug 94 p 1

[Oper. letter from the Leningrad Oblast Farmers Union to Governor A. Belyakov, St. Petersburg Mayor A. Sobchak, St. Petersburg Procurator V. Yermenko, Leningrad Oblast Procurator G. Porukov, and Yu. Loskutov, chief of the city internal affairs administration; adopted at the meeting of the Leningrad Oblast Farmers Union's council: "Today Gangsters Are After Us, and Tomorrow They Will Be After You"]

[Text] On Friday, a funeral was held for Volosovskiy Rayon farmer Sergey Gabarayev, who was killed in broad daylight in a crowded street—in front of house No. 107 on Stachek Avenue. We lost a comrade; his mother—a son; and his children—a father. All of us—the state, the society—once again permitted the gangsters to simply eliminate a person objectionable to them, who was one of the first free farmers, a well-known rural entrepreneur, first vice president of the oblast's farmers union, head of one of the most prominent agricultural cooperatives and organizer of private farmer trade. There are increasingly more such incidents. Kharitonov, Brand, Maksimova, Nikanorov—there are our people who became victims of various attacks just over the recent period of time. Gabarayev's sister was killed a year ago.

We are being robbed; our farms get burned down; we are being maimed and killed. Local authorities are lenient to thieves, they "cannot" find arsonists and murderers. The courts frequently bring their wrath on those who were protecting their property, honor and dignity, their lives, instead of on plunderers. Crimes remain unsolved. An undeclared war is on against farmers, the people for whom the purpose of life is to work their own land, to revive the Russian countryside.

We, the farmers, appeal to law enforcement organs with the demand to do everything possible to find the criminals and punish them.

We appeal to the head of the state, St. Petersburg and Leningrad Oblast authorities, with the demand to protect us and our property from violence and gangsterism. Today gangsters go after us; tomorrow, encouraged by their impunity, they will be after you. Let us not forget this.

#### **Petersburg City Deputy Discusses Housing**

944F1247A St. Petersburg SANKT PETERBURGSKIYE  
VEDOMOSTI in Russian 11 Aug 94 p 5

[Interview with V. Golman, by R. Lvov: "The Era of Free Issuance of Housing Has Ended"]

[Text] Certainly everyone, at least once in his life, has encountered the problem of housing. But whereas previously, even though it sometimes took a long time, the problem was nevertheless resolved by waiting in line, today the people waiting in line are beginning to understand that it is useless to hope that they will ever get an apartment. Incidentally, it is difficult to come to any other conclusion against the background of such a sharp decrease in the volumes of housing construction. What can the people on our waiting lists expect in the future? What can they hope for today? Does there exist in the city anything that is called a housing policy? We put these questions to Vladimir Mikhaylovich Golman, general director of the Lenstroyzhilservis AO [joint-stock company], and deputy to the City Assembly.

[Lvov] Vladimir Mikhaylovich, as a professional, how do you evaluate the situation in housing construction?

[Golman] As a crisis situation. Most of the construction organizations are either standing idle, or are engaged in activities that are extremely remote from construction. There is practically no backlog. No preparation for installation of utilities is being done on the territories. And the problem of providing the new rayons with water, heat, and sewerage has become even more acute.

Three or four years ago the city used to get 30,000-40,000 apartments annually, but last year we "scraped together" only 12,000 apartments. As a result, with a waiting list of 800,000 persons, the people waiting in line got a thousand apartments. It is easy to compute that,

with these rates, the city's waiting list will not be eliminated until... 800 years from now!

Unfortunately, too many mistakes have been made, and frequently they are the result more of unprofessionalism than of ill will. The builders themselves are guilty of this: they failed to evaluate the situation promptly and did not take the market relations into consideration. They unfortunately failed to understand that today there are greater opportunities open to them than there used to be. They continued to put their hopes on centralized financing, and on getting instructions from above. It might be apropos here to give as an example the development of Moscow's construction industry. The capital's authorities took a somewhat different path: they stopped the privatization of enterprises here, and strong managers were put at the head of the construction organizations. They were able, practically immediately, to change over to market relations, by earning the funds for construction independently, and by selling two-thirds of the housing on a commercial basis, and then continuing to build with the money that had been received.

But we made too many miscalculations. They include the poorly thought-out privatization of major trusts, especially the closed-type ones, from which, for example, the mechanization administrations were removed, and that immediately made those trusts powerless. In addition, our house-building combines proved to be unready to be converted into joint-stock companies, since they are subcontract organizations and, correspondingly, cannot be the holders of contracts for housing construction.

In addition, builders continue to wait for financing from the city, although it is already clear that the budget does not have in sufficient volume the funds that are necessary for housing construction, and will not have those funds in the near future.

[Lvov] Where can those funds come from?

[Golman] First of all, we should not hope for Western investments. Western investors will not give any money either to remodel the city's downtown area, or to build housing. Especially since our legislation, for the time being, does not promote this kind of activity, inasmuch as the questions of privatizing the buildings that are under the state's care and questions of ownership of the land have not been resolved.

One way out is to obtain normal credit. Throughout the world, credit for investment in capital construction is given with real estate as collateral, on the basis of plans that have been developed. Those plans are implemented and the money is returned after a definite time interval. But in our country it is profitable for the banks to issue short-term credit. Therefore all the efforts of the city authorities and the builders are nullified. No company will engage in construction in exchange for credit at 200 percent annual interest, which automatically doubles the cost of the housing. It is necessary to find a mechanism

for attracting bank funds on acceptable terms. Also, it is not only economic methods that are necessary, but also strong-willed decisions.

I am convinced that the construction branch, as the most promising one today, should be given definite privileges. It is possible temporarily to reduce the tax burden for those bank structures that finance construction projects. It is possible to free builders from payment for the land for a certain period of time. It is necessary to consider the question of the profit received by those enterprises, in order not to pay the tax on it, especially the tax that is paid into the local budget.

[Lvov] But what about the population's funds? After all, many people are not averse to investing their money in real estate, in order to save that money from inflation.

[Golman] That alternative is possible and is completely realistic. What is surprising is that in our country extremely dubious firms advertise and accumulate tremendous amounts of the population's money, at a time when it would be possible to issue municipal promissory certified loans. Also, any issuance of securities under the aegis of the state in which there is a clear indication of the projects for which those loans are being used will allow people to invest their funds in order to buy an apartment immediately or on the installment plan over a five to ten year period.

But that, naturally, requires carrying out explanatory work among the people of St. Petersburg, and giving civilized advertising. The Construction Department and the mayor office's apparatus must be included in this work.

Incidentally, the attraction of the population's funds into construction is probably the only way that many will be able to get housing.

[Lvov] What about the city's waiting list?

[Golman] It seems to me that it is high time for the city authorities to tell people honestly and openly that there are no more free apartments in the city and there never will be any. Yes, there may be municipal and prestigious housing, as in all the countries of the world. It is one thing to have housing for the low-income segments of the population, but it is another thing to have housing for those who can buy that housing immediately or on the installment plan. Of course, the appropriate privileges for the low-income people on the waiting list must be stipulated. And with that purpose it is necessary to reconsider carefully the entire city waiting list. I am deeply convinced that that list will be considerably shortened, since it will turn out that a considerable number of the people on the waiting list already have housing or are capable of buying it.

[Lvov] Won't a measure that is as unpopular as this result in a social explosion?

[Golman] Of course this decision will be an unpopular one. In any instance, the era of the free issuance of housing has ended. That time has passed and will never return.

For me, a professional who has given many years to the construction of housing, it is painful to look at the indecisiveness of the managers upon whom the fate of the branch depends. If there were a bit more aggressiveness on the part of those who head the construction complex, the trusts, and, yes, also the city authorities, it would be possible to establish a smoothly operating mechanism for financing housing construction by attracting funds from the banks, commercial structures, and the public, and there would be a real opportunity to help everyone to resolve his housing problem.

### October Rail Line Strike Threatened

9441247B St. Petersburg NEVSKOYE VREMYA  
in Russian 11 Aug 94 p 1

[Article by Igor Cherevko: "Strike Threat"]

[Text] The last salvoes of the "underground war" in the St. Petersburg subway did not even have time to die down before the next transportation conflict arose. This time it is on the October Rail Line, where the threat of a strike has arisen.

As long ago as April of this year, the two basic divisions of the October Main Line—the Moscow and Finland divisions—were united. That was done to increase the effectiveness and economy of operating both divisions.

According to the reorganization terms, the locomotive engineers in those divisions, who previously operated only in the "northern" or the "southern" sector, are now being changed over to a broader volume of work. That is what served as one of the basic reasons for the conflict that has arisen on the October Main Line.

The branch of the Russian Trade Union of Locomotive Crews that operates in the Finland Division and that has more than 150 locomotive engineers in its ranks, has expressed its failure to agree with these measures taken by the administration and it has announced its intention to begin preparations for a strike.

In the opinion of representatives of the October Main Line administration, this statement is provocational. Especially since, in conformity with legislation that is in effect, strikes are banned on all types of transportation.

Despite this, the local division of the Russian Trade Union of Railroad Workers intends to hold a meeting today of its members in the Leningrad-Finland Locomotive Roundhouse. There, with the participation of delegates from other cities in Russia that have divisions of the trade union, an all-Russian plenum with that agenda will be held.

### Petersburg To Begin Registering Refugees

944F1247C St. Petersburg SMENA in Russian  
10 Aug p 1

[Article by Irina Vladimirova: "It Is No Simple Matter To Get Refugee Status"]

[Text] A procedure for registering and accounting for refugees and persons who were forced to resettle will go into effect in St. Petersburg on 15 August.

They can all be registered at the city's migration service, provided they have the consent of relatives with a permanent authorization and housing in St. Petersburg, or a written guarantee from an institution (organization, enterprise) concerning the allocation of housing to the person who has applied to the service and to his family. In addition, written guarantees concerning the providing of the individuals with a job are required.

Persons who have moved to St. Petersburg as a result of the exchange, gift, or buying-selling of housing will not be registered as refugees or persons who were forced to resettle. Other persons who will not be able to register are citizens who have already received this status in countries of the near or far abroad.

### Study on Petersburg's Poor Undertaken

944F1247D St. Petersburg SMENA in Russian  
10 Aug 94 p 1

[Article by Yelena Shulgina, under rubric "Life Style": "St. Petersburg's Poor—Who Are They?"]

[Text] The St. Petersburg Nochlezhka [Night Lodging] Foundation and the St. Petersburg branch of the Institute of Sociology of the Russian Academy of Sciences have conducted a unique sociological study. The object of the scientific research is St. Petersburg's poor.

For purposes of observation, four subway stations were selected: "Mayakovskaya," "Ploshchad Vosstaniya," "Ploshchad Aleksandra Nevskogo," and "Nevskiy Prospekt." The observations were conducted by volunteers. Their labor was paid for by the Nochlezhka Foundation. The total volume of observation was 144 hours. The researchers identified certain curious regularities.

For example, women ask for a handout more frequently than men do. Most of the poor are people older than 50 years, who have lived in St. Petersburg since birth. Basically the poor people live in communal apartments. A hundred St. Petersburg panhandlers allowed the researchers to ask them several questions. Most of them admitted that they had been engaging in panhandling for only the past two years. They all said that at the "Ploshchad Aleksandra Nevskogo" station the poor people have to pay protection money either to racketeers or to the militia. The researchers were not able to prove the existence of a professional organization of St. Petersburg's poor. According to Valeriy Sokolov, chairman of the Nochlezhka Foundation, it is a generally known fact



that, if the foundation had five or six million [rubles] more to pay for the volunteers' labor, the existence of a consortium of St. Petersburg panhandlers could be documented.

Most of the poor who agreed to answer the questions mentioned as the main reason for their unprestigious occupation the fact that they received a small pension or welfare payment. No one denied the fact that it is precisely by this method that it is possible to earn money quickly. The most complicated question concerns income. Most of the persons surveyed refused to mention the specific amount of their earnings during April. But by means of simple computations it is easy to ascertain that, in one hour, an average panhandler at a subway station gets 21 handouts (on average, 100 rubles an hour, each). Consequently, the average hourly proceeds is equal to 2000 rubles, and the average monthly proceeds, 320,000 rubles. Twenty-three percent of the poor who were surveyed complained about their health; 17 percent drank every day; and 10 percent had been victims of theft or holdups. Forty-nine were not satisfied with their life, but nevertheless most of the persons surveyed were planning to continue to earn money by that method. Money has no odor.

## INTERNATIONAL AFFAIRS

### Troop Withdrawal Pact With Estonia Laid to American Pressure

944Q0533A Moscow ROSSIYA in Russian No 29,  
3-9 Aug 94 [Signed to press 2 Aug 94] pp 1,2

[Article by Yevgeniy Berezin: "Last Parade of the PribVO"]

[Text] Last week the political diary of the American capital was marked by two events of world importance. On Monday Jordan and Israel signed the Washington Declaration, which formally put an end to the state of war in which they had been for almost 46 years. And on Tuesday it became known that Russia had decided to withdraw its troops from Estonia by 31 August.

One gets the impression that definitely not everyone in the United States expected such a rapid consent by Moscow (especially after Yeltsin's well-known statement in Naples). In any case, while ending in the East Room of the White House the final press conference on the Jordan-Israeli process, President Clinton deemed it necessary to announce specially, "A few hours ago I received a message from President Yeltsin, in which he reports... his understanding with President Meri to withdraw all Russian troops from Estonia."

People in the United States do not conceal their satisfaction with the fact that, with the departure of the RF armies from the Baltic republics, there will not remain—for the first time since the end of World War II—a single Russian soldier in Europe. And that is correct. Because, essentially speaking, the last "parade of the PribVO

[Baltic Military District]," which was scheduled for the last day of the summer of 1994, means, according to a highly placed representative of the administration, that "one of the first-priority foreign-policy tasks of the B. Clinton administration has been resolved" (we might add that, with the very fact of the withdrawal of Russian troops, now simultaneously, from Germany, Latvia, and Estonia, that will also end the final partitioning of the "Yalta model" of the postwar world).

"We feel," he emphasized, "that the three Baltic states conceive their future together with the countries of Europe and North America, and in our policy we have attempted to help them in this. This is much easier to carry out if Russian troops leave their land." Now the troops will be leaving and, as a ROSSIYA correspondent was told by Estonian ambassador to the United States Mr. Ilves, Tallinn "perceives... with a sense of satisfaction" (no less than Washington does) "the decision that has been made."

Slightly raising the curtain over the behind-the-scenes mechanism of big politics, nowadays no one in the American capital is averse to emphasizing that it was precisely President B. Clinton who repeatedly raised the question of troop withdrawal to B. Yeltsin (in Italy alone, it is asserted, the "Estonian topic" occupied almost one-third of the total conversation between the two leaders). Also still fresh in people's memory is the U. S. Senate's decision, which is somewhat in the spirit of an ultimatum, concerning the granting of aid to Russia in exchange for the withdrawal of its army. But, in the opinion of the administration representative, the main role in urging the Kremlin to make the most rapid resolution of the question was played by personal ("long and frank") letters sent by B. Clinton and H. Kohl to Yeltsin on the eve of his meeting with Meri. Both the American president and the chancellor of Germany, the administration's representative remarked, "maintain very good relations with B. Yeltsin." Currently official Washington is taking an optimistic view of the forthcoming consideration of the agreement in the Russian parliament. Especially since, as the White House has reported, B. Clinton in his letter "told Yeltsin that, if an agreement is not reached (and, correspondingly, the troops are not withdrawn), that would become a hindrance in the development of American-Russian relations."

That is the overall palette of the American evaluations of the decision that the Russian President made. No one disputes its logic: even in politics, once you have said "a," you have to say "b." Nor does anyone encroach upon the independence of the Baltic countries: hindering the natural historical processes is the last thing. However, it is not yet clear exactly how, in the practical situation, the further stay of the Russian-speaking population in Estonia will be resolved. There have been, for example, promises that CSCE specialists will take part in this process, but how can one consider all the applications by 31 August, when in Estonia today there are

approximately 10,000 Soviet Army retirees alone? Or will that be done after the troop withdrawal? And what about the officers who are continuing to serve in units that are going to be withdrawn, and what about their families? The personal vouchers "for the purchase of housing in Russia," which have been proposed by the B. Clinton administration (each voucher with a value of U.S. \$25,000) will not, I am afraid, resolve the problem. The prices in the RF are different.

Apparently only subsequent events will show what there was most of in President Yeltsin's decision: the reasons stated in the letters of his "counterpart friends," as is asserted here, or a sober calculation for the good of Russia and its compatriots who, for reasons beyond their control, have proven to be outside the confines of their native land. Although where are the guarantees that that decision actually is not one and the same thing?

### **Russia's New Role in World Arena Viewed**

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[Article by Prof Veniamin Sokolov: "Finding a New Place: On Russia's New Role in the International Arena"]

[Text] The deep crisis, aggravated by the failure of the reform concept proposed by the Yeltsin-Gaydar team and the political confusion evoked by it, somehow pushed the issues of foreign policy and of Russia's position in the world community into the background.

The latter circumstance primarily suits extremists of different persuasions best of all. Some are working on a foreign policy course for the country, while others are criticizing it as being offensive, as being within the same framework as that of the concepts of the other side but simply being implemented with the opposite sign. On the other hand constructive forces have practically abstained from developing a foreign policy course, concentrating on attempts to find some sort of solution to the domestic crisis, and leaving foreign policy hostage to right and left extremism.

At the same time solution of our domestic problems and elimination of the acute economic and political crisis would be impossible in the absence of a balanced, effective foreign policy. This circumstance, currently being ignored, is precisely what requires constructive forces to develop their own foreign policy line.

It is no longer a secret to anyone, after all, that Russia's foreign policy has assumed a one-sided pro-American nature. Even rare, clumsy attempts to demonstrate some sort of independence of Russian diplomacy from American diplomacy only highlight the present situation and ultimately serve as a demonstration of actual dependence. Unfortunately the actual interaction between the Russian Federation and the United States in the course of the reforms has led to a situation where a predominantly negative assessment of the United States' aims in relation to Russia has developed in Russian society. To

not see this, and to not account for this in real politics means not only delaying solution of domestic problems but also tightening the knot of international problems even tighter.

In its relations with the United States Russia found itself in the position of a junior partner from the very first day of its independent existence. The United States promised assistance, and Russia asked for it. The United States proposed conditions for disarmament and for trade relations, and Russia accepted them. The United States took steps advantageous to it in different points of the globe, and Russia supported it.

Following for practical purposes in the mainstream of the United States' geopolitical line, Russia is becoming an instrument of defending American national interests, and one of pressure upon other countries. This is leading to the advent of deep conflicts with countries of Europe, Asia and Latin America.

Anticipation of certain support to any steps taken by the United States by the Russian foreign policy department is forcing countries of Europe, and even Asia, to accept the dictates of the United States, and to orient themselves on the United States' position. Russia's support makes this position far more substantial than simply the position of a superpower. The de facto alliance of two superpowers, in which the positions of one of them are subordinate to the other, is naturally advantageous to the leader. In this case it seriously infringes upon the interests of its competitors. And chiefly other European countries that are in a dependent position in relation to the United States.

While in the postwar era the United States' domination in Europe was supported by the "Soviet military threat," today it is being supported by direct Russian support. Russia is a dominant factor in European policy, and it is in precisely this quality that the United States attaches such great importance to it. In the last few years the United States managed to maximally capitalize on the "Russian factor" to strengthen its own positions. At the same time the Russian leadership has been unable to extract adequate dividends from this cooperation. Rather than growing stronger, Russia's position in the world has weakened. Its voice in affairs of the world community is growing ever weaker. Moreover the world community, the interests of which are being violated by the pro-American course of the Russian leadership, is growing ever-colder toward Russia.

The pro-American orientation has had an especially strong impact in recent years on Russia's foreign economic policy. American firms that until recently occupied an extremely modest place in Russian foreign trade and capital investments have suddenly begun receiving unprecedented privileges and preferences. It is interesting that these privileges and preferences have very often been tailor-made. Specific American companies suddenly receive contracts never before so advantageous, and unprecedented privileges. At the same time

our traditional European and Asian partners are being crowded out of the Russian market.

Artificial barriers are being raised to European capital investments and European trade, and the activity of European firms is being made difficult, to the advantage of their American competitors. Threads of cooperation that took decades to establish are being broken. All of this has now led to a decrease in commercial turnover with European countries, and to the country's loss of many billions of ECU [European Currency Units] in capital investments.

Concurrently traditional Russian cooperation with countries of Asia is being cut back severely, and Russia is losing ground in Asian regions. The prime example of this is the rude and groundless severing of long-established ties with India, a country that has been friendly with us by tradition. Rejection of agreements to deliver high-tech goods to this country resulted in cancellation of a contract that would have been highly advantageous to both sides. Moreover this rejection occurred at the direction of the U.S. State Department, as was directly and officially proclaimed to all the world. Both Russia and India suffered enormous losses as a result of these actions. Understandably Russia's interests in Asia had to suffer after this: This was an interest, after all, in a country that could supply new technology and serve as a collaborator in development. Our relations with Vietnam also found themselves in a similar situation. In this case rupture of traditional ties led to sharp reduction of trade.

I can go on giving dozens of such examples, but that's not what is important. What is important is Russia's slide into total isolation and, correspondingly, into direct dependence upon the United States.

Despite all of the preferences granted to the United States, its economic policy in relation to Russia is hardly distinguished by reciprocity. The so-called Jackson-Banik [transliteration] amendment, which sets very serious limits on trade with Russia, is still effective in relation to Russia. Russian trade has not been granted most-favored nation status, which is possessed by almost all countries of the world, besides those in relation to which the United States does not recognize the government, believes it to be dictatorial, or is in a state of war. Practically all measures of pressure, all restrictions against the USSR that established themselves during the cold war have been inherited by Russia. The line of one-sided concessions to the United States adopted by the Russian leadership has not led them to their planned goals.

But could it be that it still makes sense to make all these sacrifices and concessions for the sake of some future advantage? Let's try to analyze this question.

What Russia needs today is to enter the world community as a worthy, equal member, and to obtain its assistance under acceptable conditions in establishing

state-of-the-art, high-tech production. Russia needs investments, modern management and high technology in order to surmount the crisis and carry out reforms successfully.

Is all of this possible? Is the United States prepared to grant us credit, is it ready to invest into promising sectors, and provide technology and cooperation?

We were promised \$24 billion in spring of 1992, 17 billion in fall of 1992, 3 billion in spring in 1993, and 15 billion in summer of 1993. Certain amounts, albeit not as large, are promised today as well. But all that has actually been paid out is \$400 million that were issued to the State Committee for the Management of State Property, supposedly in support of privatization. In and of themselves, these promises are purely demagogical in nature, and they have as their goal immediate concessions in exchange for future blessings. And although the volume of these concessions has already significantly exceeded the volume of promised blessings, the magic of the promises continues to act upon the Russian leadership. There are no grounds for the existence of restrictions contained in today's anti-Russian instruments. If they were created for struggle with a strategic enemy of the United States—the communist USSR, what has this to do with democratic Russia?

Posing this question, we immediately find an answer. If the cold war is continuing, if everything is being done to maximally weaken Russian positions in the world, then it was actually Russia that was the real strategic enemy of the United States. It would be naive to suppose that geostrategic plans could really be based on ideological considerations. It would also be naive to suppose that the global geostrategic interests of all participants of a confrontation would change after the ideology or the regime of one of the confronting powers is replaced. In reality the main essence of the policy of confrontation lies in a struggle for resources, the market, and strategic advantages. In this sense nothing has changed for the United States, and its continued pursuit of a rigid anti-Russian course, of concealed hypocritical demagoguery, is fully justified and logical. Nothing has changed for Russia either. It would be laughable to expect investments, technology and cooperation from the United States under these conditions.

At the same time Western Europe has directly opposite goals and totally different interests in relation to Russia.

Fundamental strategic shifts occurred on the planet in the 1980s. They were prepared for by the course of history in the preceding decades, and they led to serious change in the disposition of forces. Change in the power of Western Europe and Japan in relation to the power of the United States was the main factor of these changes. First of all their share in world production increased. While after the war the United States produced twice more industrial products than Europe, today it is behind Europe by a time and a half. While the United States'



currency was incomparably stronger than European currencies then, now it is inferior to many of them. While the United States was the indisputable leader in world trade then, today its share corresponds approximately to that of just one European country—Germany. All of this has led to a situation where the world has ceased to be “bipolar,” divided into two camps, with the United States’ interests dominating in one and the USSR’s in the other, and with the interests of the other participants being sacrificed to the leader.

For practical purposes the world has now become quadrupolar. The United States, Russia and its neighbors, Western Europe and Japan—these are the four alliances between which geostrategic competition will proceed in the next decades. The interests of Western Europe include not only ensuring its security but also expanding the Common Market, including more and more new subjects in it, and expanding cooperation for the sake of economic advancement. Consequently Western Europe’s interests and goals in relation to Russia and all of the Eurasian region differ from the interests and goals of the United States. Europe is interested today in the success of Russian reforms, in raising the level of Russia’s development, inasmuch as this would lead to formation of an extremely rich market, integration of which with the EEC would benefit both sides.

Ties with Europe have a giant potential for expansion today, and inexhaustible possibilities for mutually advantageous cooperation. The same can also be said for Russia’s policy in the Asiatic region. Expansion of traditional contacts with countries of Asia and reinforcement of Russia’s positions in this region would affect Russia’s economic position positively. This pertains chiefly to relations with China and India.

Abandonment of the one-sided orientation of Russian foreign policy, and selection of a balanced orientation on cooperation with our partners in Europe and Asia will not only strengthen Russia’s position in the world and help to surmount growing isolation, but also promote improvement of Russia’s economic position.

What is the alternative to the government’s present course? It is extremely simple, and to be specific, it is currently at the basis of the foreign political development of all countries of the world but Russia. Our national interests must be the cornerstone of foreign policy. It is on the basis of these interests that the foreign political strategy should be developed.

A balanced policy, rejection of a hypertrophied orientation on one of the geostrategic centers, should be the second principle.

An orientation on the future—that is, a strategic and not an immediate approach—should be the third principle of foreign policy. Russia should not so much find its place in today’s transitional world, as it should fight for a place in the future geopolitical disposition of forces, which will establish itself conclusively in just a few years

and which will differ significantly from the “postwar world.” The role of the North and South will grow significantly. Russia’s role as one of the future geopolitical poles is being prepared for right now.

The orientation of foreign policy must not of course mark a transition to an anti-American course, as extremists demand today. On the contrary relations with the United States are extremely important to us. These relations must be widened, and they must be developed on the basis of mutually advantageous cooperation and a balance of interests. But at the same time foreign policy in general must become more balanced. Without this, any reforms in Russia would be doomed to failure, and any political force would be doomed to defeat. These are things that we need to avoid today.

### Prospects for Further ‘Institutionalizing’ CSCE

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pp 40-46]

[Article by Yuriy Nikolayevich Rakhmaninov, ambassador extraordinary and plenipotentiary, doctor of historical sciences: “CSCE and the Challenges of Time”]

[Text] Almost two decades ago the memorable starting up of the Helsinki CSCE process occurred. Despite the individual crises that it has experienced during that period, its development, on the whole, has been constructive and consistent. An increase in dynamism also distinguishes the present period of its activity—the beginning of the 1990’s. In a word, there are sufficient foundations for considering this process not to be a random, brief episode in modern history, but a major phenomenon of contemporary sociopolitical life, which reflects the important features and underlying natural laws of the era, as applicable to the CSCE region.

We might recall briefly the background of the basic events and facts of a number of recent years that attest to the efforts of more than 50 participating countries to strengthen the organizational foundations of the Helsinki process, and to form the mechanisms and structures that establish the framework for the new system of collective security and cooperation in this region.

In July 1992 at the Helsinki-2 summit meeting, the participants reached understandings for purposes of administering the process of changes and monitoring the implementation of the decisions that were made. From this it follows that the countries participating in the Helsinki process firmly intend to avoid a repetition of the regrettable experience of the League of Nations, which, in its time, adopted rather good resolutions, but did not have any real means or powers to implement what had been conceived.

The declaration of the Helsinki-2 conference proclaimed, in particular, the long-term goal of forming a community of free and democratic states from Vancouver to Vladivostok. Is such an ambitious, but also

very complicated, task actually feasible? One would think that, first of all, this will depend on the development of relations within the CSCE countries and among them, on their purposefulness in moving along the Helsinki path, and on their implementation of all the principles of the Concluding Act and the complete execution of the pledges that they made.

Properly speaking, the seeds of the future Helsinki process were, in essence, thrown into the soil as long ago as times that are now remote from us, when various ideas and concepts of peace began to appear as alternatives to the horrors of a world war. But it was not until the 1970's that a unique phenomenon of modern life was born—the CSCE process. As is well known, the decisive impetus for that was the awareness by the broadest circles of the public of the incontrovertible truth that a third world war would mean not only the destruction of European civilization, but also the annihilation of the necessary conditions for any kind of life on the planet.

"During the Atomic Age it is within our power to make the final choice—to destroy ourselves or to unite for the first time in history on a world scale," the outstanding British historian A. Toynbee warned his contemporaries. Most of the other generally acknowledged authorities in the area of world politics, progressive science, and culture issued their warnings in unison with him. And those voices were not disregarded. It was precisely the CSCE process that became that necessary, rational choice that led to the end of the Cold War that had been threatening people with nuclear death.

That process is definitely not a "historical miracle," but, rather, the result of its participants' firm resolve to protect nations against the cataclysms of war, to assert faith in human rights and in the dignity and value of every individual, and to promote social progress and the raising of the standard of living of all nations under conditions of free development. Those demands of our era, which were formulated as the goals and principles of the United Nations Charter, are the motivating force of the Helsinki process in all its "dimensions"—political, military, humanitarian (human), economic, and others.

Essentially speaking, the decisions made at meetings and conferences along the CSCE line represent the fruit of the collective intelligence of politicians, military experts, jurists, economists, and competent specialists in other areas of expertise in all the participating countries. That is why most of these decisions achieve the level of serious scientific analysis of the vital problems of our time.

So it would seem, then, that in this context the conclusions of the analysts in the famous Roman Club that are aimed at the profound revelation of the content of the era that we are living through deserve special attention (Footnote: See A. King, B. Shnyder [Schneider], "Pervaya globalnaya revolyutsiya: Doklad Rimskogo kluba" [First Global Revolution: Report of the Roman Club], Moscow, 1991). In the opinion of those analysts, there is

currently occurring in the world the first global revolution, which, for a number of reasons, is of a peaceful nature. It was engendered by the level of internationalization that has been achieved at the present time in all spheres of public life, when no one in the world can exist in isolation from everyone else, without the establishment of constructive cooperation among all countries and nations. Moreover, in the course of the global revolution the achievements of the NTR [scientific-technical revolution] combine in the overall stream with the democratic revolution that is proceeding on a world scale.

In totality, however, this is leading to fundamental changes in the social structure of modern society, to the democratization of all aspects of public life. Thus, the development of the Helsinki process in all the areas of its activity actually provides the answer to the challenge for changes in our era.

Actually, in the political area the participating states proceed in their actions from the multidimensionality and complexity of today's landscape of the world. This presupposes the identical application of all ten principles of the Concluding Act, with the interpretation of each of them with a consideration of the others. One cannot absolutize any one of them to the detriment of the execution of the others. And if any of the principles grants rights to a CSCE participant, it simultaneously becomes for that participant a pledge to execute the statutes enunciated in all the remaining principles. Inasmuch as each of these principles is a part of the total democratic whole, as such it cannot act in contradiction to any of the remaining principles.

Without a doubt, the content of the Helsinki principles is by no means a completely frozen scheme. Rather, it develops, just as international life itself does. Thus, the principle of the right of nations to self-determination, which at one time played a progressive role, in the course of the communication that subsequently increased among nations was replaced in international law by the right of nations to be in charge of their own fate. And that means the completely equal right of all the citizens living on the territory of each state to participate in the country's political life, irrespective of race, language, or religion.

But if part of the population is not allowed to take equal part in the government, then it is not only this principle that is violated: this also places in doubt the clause (statute) concerning the protection of the territorial integrity or political unity of the particular state, since the population group that has had its rights infringed upon can demand the right to self-government. To avoid this, the inadmissibility of the violation of the rights of minorities must be the guarantee of territorial integrity in conformity with the norms of international law.

The rights of nations and national minorities are not an invitation to disunite them, but, on the contrary, it is their practical implementation. By eliminating national

oppression and interethnic frictions, they guarantee the establishment of harmonious joint life among all parts of the country's population and promote their rapprochement and genuinely fraternal cooperation.

In the Helsinki process one also noted certain new signs of the progressive course of history, which sociologists call the "coupling" or "functional integration" of various spheres of public life. Concretely this found expression in the understandings along the CSCE line to the effect that respect for human rights, including the rights of national minorities, the observance of democratic orders, and the supremacy of the law are both the internal competency of the state, and the object of international humanitarian law. Thus, respect for human rights and democratic norms has become one of the foundations of international peace and security.

There has been a substantial change in many of the features and tendencies of modern policy, including foreign policy. It is acquiring a larger scientific basis, and is becoming increasingly honest and moral, democratic and open in its nature. What, however, are the objective prerequisites for such important changes? In addition to the expansion of democracy by means of the conversion of the masses of the people and public opinion into a first-degree factor of policy, these impetuses also include the transformation of the social structure of society, which transformation is aimed at coordinating the interests of various groups of the population, countries, and regions; and a search for common global interests.

Another factor that has an analogous effect is a process that has begun—the process of the merging of politics, law, and morality. There has also been a tangible transformation of the very content of the concept "force," and a practice that is becoming a thing of the past is the practice of guaranteeing the security of states in a unilateral procedure or by means of the creation of opposing blocs on the basis of the notorious "balance of forces." The new concept of collective security—indivisible and all-encompassing—was stated for the first time in the Helsinki Concluding Act.

With the overcoming of the confrontation that was influenced by the nature of the relations among the CSCE states in the past, the NATO countries and the former members of the OVD [Warsaw Pact Organization] are no longer opponents. In the joint 19 November 1990 declaration they stated that they "will build new relations of partnership and will extend to one another the hand of friendship." It should be noted that the idea of partnership for the sake of peace and friendship appeared for the first time in the bosom of the Helsinki process.

Substantial progress was also achieved in the area of the military-political aspects of security. Thus, four important documents that were developed within a short period of time at the CSCE forum with regard to cooperation in the area of security were adopted: "Principles Regulating the Transfer of Conventional Arms,"

"Planning in the Area of Defense," "Program of Military Contacts and Cooperation," and "Measures for Stabilization With Respect to Local Crisis Situations." Meeting the demands for the rapid changes that are occurring in the CSCE region, they have the goal of increasing the effectiveness of the system of a new generation of measures of confidence and transparency in the military area, and the promotion of further progress in the area of military contacts, which progress has been called upon to guarantee a qualitatively new level of interrelations among the CSCE members.

The work has also been continuing on the drafts of other vitally important decisions—concerning the harmonization of the pledges that have been taken; the monitoring of arms; disarmament; the strengthening of confidence and security; a code of conduct for the CSCE states; the global exchange of military information; questions of developing the 1992 Vienna document and cooperation in the area of conversion of defense production; etc. We are talking about the carrying out of the necessary steps that enrich the arsenal of CSCE means in the important sphere of preventive diplomacy, and about the prevention and settlement of crisis situations.

It would be logical, in our opinion, to view the concurrent expansion of cooperation in the area of the human dimension within the confines of the Helsinki process in the philosophical plane as the beginning of a turning point in world history, which marks the completion of a thousand-year stage in the development of history under the sign of the contradictory relations of society and the individual. Until recently, the interests of the "human species" developed basically at the expense of the majority of the individuals and entire groups of the population. Nowadays one observes the objective creation of the material and spiritual prerequisites for the coinciding of these interests with the interests of each individual, and this makes it possible to pose realistically the task of guaranteeing the conditions for the free development of the individual.

At the Helsinki-2 meeting it was decided to intensify the role of the Bureau for Democratic Institutions and Human Rights (BDIPCh) as the basic institution in the area of the human dimension and to accelerate the formation of the necessary mechanism for developing and applying measures of confidence in that sphere. Any state can make inquiries concerning the rate of execution of pledges by other countries in the particular area, either by way of BDIPCh or along diplomatic channels. Provision is also made for the opportunity to send missions of experts and reporters, and to conduct annual survey conferences of experts.

A question that is taking on particular acuity today is the question of observing the rights of national minorities and the individuals belonging to them. This is attested to by the adoption in the CSCE of the concept of the collective rights of the national minorities, which concept makes their legal status concrete. The positive



experience of Austria, Belgium, Spain, Italy, and Switzerland indicates, in particular, that the rights of the national minorities in various countries can be guaranteed either by means of domestic constitutional laws (Spain), or in special forms of autonomy (Italy); or they can be guaranteed in such a state-legal form as a federation or confederation (Belgium, Switzerland). The common denominator of the legal regulation of these relations is the maximum development of democracy, the elimination of the slightest national distrust.

The international practice of regulating the problem of national minorities graphically confirms the great complexity and delicacy of this area. One cannot resort here to schematic standardization or a single status for all national minorities, irrespective of the concretely historical conditions of their life there. Especially since some are completely amenable to equality before the law, and others are amenable to national-cultural autonomy, the collective right to autonomy, or the establishment of federative ties within the framework of a single state. It is also incorrect to absolutize the role of the individual states that sometimes lay claim to a messianic role as the guardians of the national minorities and of human rights in general.

Decisions that are of undisputable benefit in this regard are the decisions made at the meeting of experts on questions of national minorities in Geneva (July 1991) and the Moscow session of the CSCE Conference on the Human Dimension (September-October 1991). Simultaneously with the adoption of the concept of the individual and collective rights of the national minorities, it was firmly stated there that their observance is not an exclusively domestic matter for the appropriate state. This also imposes on Russia the obligation of striving for the observance of the rights of the national minorities in the other participating states, and in particular the rights of the so-called Russian-speaking population.

Apparently an increasingly active role in protecting the rights of the national minorities will be played by the supreme commissar for affairs of national minorities, the position for whom was established at the Helsinki-2 meeting. A broad mandate enables him to guarantee at the earliest stage the prevention of conflicts based on ethnic differences.

Russia's fundamental line within the framework of the CSCE is aimed at protecting human rights against aggressive nationalism, xenophobia, and religious intolerance; at respecting the rights of minorities and guaranteeing them their due status while respecting the integrity of the states. On our initiative, at the Rome session of the Council of Foreign Ministers of the CSCE Countries (30 November - 1 December 1993) a Declaration concerning aggressive nationalism, racism, chauvinism, xenophobia, and antisemitism was adopted. That declaration decisively censures those manifestations that create a situation of ethnic, political, or social tension either in the CSCE states or in the relations among them.

Definite results were also achieved in the area of the "economic dimension" of the CSCE. Thus, at the Conference on Economic Cooperation in Europe that was held in the spring of 1990 in Bonn, the opinion was expressed that, inasmuch as modern economic life is built on a mixed-type economy, that requires "the complete recognition and protection of all forms of property, including private property," as well "the participation of small and medium-sized enterprises in industrial cooperation."

At a session of the CSCE Economic Forum in Prague on 16-18 March last year, the stereotypical approach to developing the Helsinki process in the framework of the "economic basket" was reasonably subjected to criticism. Emphasizing that the market economy "does not automatically create the necessary conditions for developing modern entrepreneurship," the participants of that session pointed to the importance of the purposeful efforts of the governments in the CSCE countries to guarantee political, economic, and financial stability, with a consideration of the human factor when changing over to conditions of a market economy.

In addition, they spoke out in favor of restoring the economic ties among the former participants in the CEMA and the CIS countries, and also in favor of forming a single trading and economic space in the CSCE region. In the context of developing multilateral cooperation within the framework of the CSCE, its participants evaluated as a "sign of realism" the actions to create an economic union among the CIS countries. In their opinion, that prospect opens up for the CIS members the opportunity to develop in a more fruitful way the economic relations among themselves and to come forth with initiatives for creating mixed enterprises, scientific-technical centers, and complexes for assimilating natural resources.

The positive influence of the Helsinki process upon the political development in the CSCE region is also exerted in the definite transformation of the nature of the organizations and unions that arose during the Cold War years. Thus, the European Community is participating with increasing vigor in CSCE measures. NATO and the West European Union also expressed their readiness to render support to that activity. It can be assumed that both unions (in the event of their radical transformation) apparently could become component elements of a future system of security on the base of the CSCE. The development of cooperation in the CSCE in the area of the human dimension would also undoubtedly promote the expansion of the makeup of the Council of Europe; at the expense of accepting new members from among the countries participating in the CSCE.

On its part, the Commonwealth of Independent States announced its readiness to assist the CSCE in the attainment of its goals. The 1992 Helsinki document recognized the role of the CIS and Russia in peace-making measures, although until the present time no clearcut

criteria have yet been worked out for interaction in this area by Russia, the CIS, and the CSCE.

The nature and sources of the armed conflicts that arose in the CSCE region on the territory of the former Yugoslavia and Soviet Union are today being qualified differently. Those conflicts are called either new-generation conflicts that require a search for the appropriate answers, or the consequence of delayed efforts in the matter of institutionalizing of the CSCE, as a result of which the mechanism of preventive diplomacy does not start operating and those negative phenomena get out of control. It would seem that those evaluations are largely true and they must urge on the development of the Helsinki process, and must, without delay, crown it with a reliable mechanism that guarantees lasting peace and the inadmissibility of any conflicts that threaten the stability of the CSCE countries.

But, unfortunately, other views of the Helsinki process also exist here and there. People sometimes say that it has become "obsolete" and relatively ineffective. Only NATO, they say, is capable of guaranteeing security for Europeans who are residents of the CSCE countries, who ought to enter into that alliance. How can one fail to remember that ancient truth about the good intentions with which the road to Hell is paved? Recommendations such as this do not have anything in common with the Helsinki pledges to overcome the past confrontation among the countries participating in the CSCE. Projects for forming a kind of "Euroatlantic community" resemble more than anything else the refrains of the bygone confrontational times.

Actually it is incomprehensible why, after the end of the Cold War, the question being raised is not the transformation, but the expansion of NATO. Because the founding fathers of NATO used to assert that the creation of that alliance does not contradict the United Nations Charter, inasmuch as this is done on the basis of Article 51 of the United Nations Charter in accordance with the right to defend oneself in the face of a threat of possible attack from the East. But in the lack of the conditions stipulated by Article 51 of the United Nations Charter—and at the present time they no longer exist—shouldn't the logic of life suggest to the CSCE countries the one true path—the path of transforming into a regional organization to maintain peace and security in conformity with Chapter VIII of the United Nations Charter?

The expansion of the makeup and sphere of activity of NATO, even without the inclusion in it of a number of countries participating in the Helsinki process, would represent something like a malignant tumor, with all the dangerous consequences both for the CSCE and for NATO itself. It was to avoid this, properly speaking, that the North Atlantic Cooperation Council (NACC) was created. NACC, which originally took in all the participants in NATO and the former Warsaw Pact, is an independent organization that is closely linked with the

CSCE, inasmuch as it promotes the resolution of those questions which, essentially speaking, are dealt with by the CSCE Forum for cooperation in the area of security.

The creation of new CSCE structures and institutions is taking on special importance at the present time as a kind of durability test for development in accordance with the Helsinki landmarks. Crowning this process, the institutionalization of the CSCE corresponds to a very important requirement of our era—the combination of stability and the peace dimension.

At the present time, when, as a result of the conflicts on ethnic and religious grounds, a question that is becoming especially crucial is the question of peace-making, with the CSCE acting in the role of the leading peace-making partner of the United Nations in its region, there has arisen an urgent necessity for the conclusion of agreements concerning the distribution of functions when carrying out peace-making operations and sending missions to hot spots.

The tasks of deepening the process of institutionalizing the CSCE would also be met by the creation within its framework of special forces to maintain the peace, similar to the United Nations' "Blue Helmets." Simultaneously, it would be possible to develop a mechanism for interrelations along the chain CSCE-NATO-ZES [West European Union]-CIS, to give the peace-making efforts of the CIS and Russia legitimate status along the CSCE line, to render material-financial support to it, to create a special fund, etc. But, obviously, the operations to maintain the peace with the use of means of power are only temporary measures that are caused by emergency situations. The main thing for the Helsinki process has been, and continues to be, the preclusion of the use of force, the early warning of conflicts and the settlement of crises by political means, and the acceptance of means for preventing conflicts and the peaceful settlement of disputes.

It is precisely this approach that has been firmly established in the Helsinki-2 decisions, where it is stated that the CSCE operations to maintain the peace will not stipulate any coercive actions, and the latter are viewed as a temporary measure until there has been established a reliable mechanism for the prompt warning that conflicts are arising and for the peaceful settlement of disputes and differences of opinion. So, until that time, the CSCE will turn for assistance to the United Nations, the European Community, NATO, the West European Union, and the CIS in the context of the necessary steps to maintain peace.

Another conceptual basis for institutionalizing the CSCE is the division of the responsibility for guaranteeing peace, stability, security, and cooperation within the confines of the CSCE among the three basic branches of power—executive, legislative, and judicial—which have been called upon to interact with one another and also with public circles, nongovernmental organizations, and individuals who are figures in science and culture.

The parliamentarians of the CSCE countries are also joining in the Helsinki process to an increasing extent. The first session of the CSCE Parliamentary Assembly was held in Budapest on 3-5 July 1992. Life suggests the need to involve the parliamentarians more broadly in conferences to review the fulfillment of decisions and the further steps to strengthen the Helsinki process. Otherwise the CSCE process cannot develop on democratic principles. It is extremely important to develop creative methods for involving in this process the public in the participating countries, and to grant nongovernmental organizations broad opportunities for making a useful contribution to its development. It is not by accident that a special section of the decisions of the Helsinki-2 conference is devoted to increasing the transparency in the activities of the CSCE, and, in particular, to intensifying the role played in this by nongovernmental organizations.

The further development of the CSCE institutions and mechanisms in the spirit of democratic norms having a flexible and open nature, without unnecessary duplication or bureaucratic methods, lays the foundations for creating a new system of collective security and cooperation.

As a regional agreement in the sense that is mentioned in Chapter VIII of the United Nations Charter, the CSCE acts in close cooperation with the United Nations. In the system of structures that have been called upon to play a stabilizing role in Europe, the CSCE to a definite degree takes the positions of a coordinating and central forum on the entire space of the Northern Hemisphere, from the Atlantic to the Pacific Ocean.

Under conditions of the current instability in the European East, the importance of the Helsinki process as an effective factor for peace and security, and for constructive international cooperation, has increased substantially. In the future, however, the community of countries participating in the CSCE, one must hope, will rightfully become one of the centers of world civilization, and a very important component of stability and mutual understanding among nations.

#### **Commentary Warns Czechs Against Russian Imperialism**

94CH0371A Prague LIDOVE NOVINY in Czech  
26 Jul 94 p 1

[Commentary by Jiri Hanak: "The Iron Curtain"]

[Text] The latest iron curtain in Europe was lifted five years ago, and it is already appropriate to ask where the next one will descend. There was always an iron curtain in the places the Russian Cossacks, and later tanks, reached. The right to build it has been assumed by Russia since that day in 1709 when the troops of Peter the Great slashed their way through the Swedish regiments near Poltava to the threshold of the European

peninsula. For borderless Mother Russia, Europe is really nothing more than that.

Europe misunderstood the significance of what happened that day, and it continues in its delusion to this day because it still holds that at issue is the Europeanization of Russia, whereas at issue is, of course, the Russification of Europe. This idea comes in ebbs and flows, where so far each hopeful ebb has been followed by an even more turbulent tidal wave. After the breakup of the czarist empire in 1918, Russian tanks stopped 27 years later within shooting distance of the Swiss border.

How many illusions the West has lived under already, and how many bad bets it has made! It bet on "Uncle Stalin, who was surely going to liberalize Russia but continued the murdering and the Russification, instead; on Khrushchev, another liberalizer, who smuggled nuclear rockets into Cuba; on Brezhnev, who gave out the noisiest kisses and planted SS-20 rockets in the very heart of Europe; on "Gorby," who perhaps was the only one in the history of Russia who crossed the Rubicon toward civilized international relations only to have everything dissolve in his hands in the end. Today, the West's favorite is Boris Yeltsin, the Russian president.

In the West, only a few will acknowledge, and only unwillingly, that he is merely a temporary one because a powerful tidal wave is already rising behind him. Surfing on it are not the rather simple entertainers of the Zhirinovskiy type, but cold-blooded and goal-oriented users of power such as general and former Vice President Rutskoy. They do not waste time talking about swashing Russian army boots in the Indian Ocean, but they do not veil what is fundamental: restoration of Russia as a superpower! No longer, of course, as the Soviet Union, but as the sole Russian nation, in which the smaller nations, those "that have no power to influence anything," will dissolve (interview with Alexander Rutskoy by LIDOVE NOVINY on 25 July 1994). The Russian borders to be, of course, as they existed in 1915. Including the Baltics, including Poland, including Central Asia, including Ukraine. And they do have a chance, those brownish red Slavs!

The only thing that can stop them is if this time the West resolves to put up an iron curtain in case these Russian imperialists win. The only thing that can stop them is the West's realization that, so far, it had bet on horses that had no chance of making it through the finish line.

#### **Federal Laws Ratifying Treaties Published**

94P50185A

[Editorial Report] Moscow ROSSIYSKAYA GAZETA in Russian for 18 August 1994 carries on pages 4 and 5 eight federal laws ratifying Russian Federation treaties. Four bilateral treaties, signed between Russia and Moldova, Azerbaijan, Estonia and Lithuania, respectively, and a convention signed in Minsk (presumably between the CIS member-states) call for "legal aid and legal



relations on civil, family and criminal affairs." All five laws were adopted by the State Duma on 21 July 1994 and approved by the Federation Council on 27 July.

In addition, the paper carries three federal laws ratifying treaties of "friendship and cooperation" between Russia and Slovakia, the Czech Republic and Greece. These laws were also adopted by the State Duma on 21 July and approved by the Federation Council on 27 July.

### **New Mechanism of Credit Repayment by Developing Countries Set**

944F1192A Moscow *SEGODNYA* in Russian 2 Aug 94  
p 11

[Article by ADS correspondent Yevgeniy Spiridonov: "Competitive Nomination for the Return of Debts: "MVES, Minekonomiki, and Minfin Have Developed a Mechanism for Trade Cancellation of the Credit That Was Granted To Developing Countries by the Former USSR"]

[Text] In view of the fact that Russia, as the legal heir of the now defunct USSR, is owed \$160 billion by the developing countries, most of which are either completely unable to make settlement or are capable of returning only an insignificant part of the debt, the "arrears" to be collected by Russia on the secondary financial markets from the individual countries are quoted at the level of 10 percent of the total debt, or even less.

Since the debtors do not have any real currency funds, Russia is forced to use any means to guarantee the returnability of the credit. One has in mind such forms as economic cooperation charged to the funds coming in from the paying off of credit; and reinvestment, which presupposes their investment in projects in the debtor countries. And, of course, there has been an improvement in the traditional commodity method of paying off state credit, that is, the principle, inherited from the USSR, of collecting the "arrears" from insolvent friends who are just barely managing to stay alive.

As was reported by Aleksandr Kurkin, acting deputy chief of the MVES [Ministry of Foreign Economic Relations] Administration of Export-Import Operations To Meet State Needs, Russia has agreements concerning the use of commodities to pay off credit with Algeria, India, Indonesia, Vietnam, Turkey, and Pakistan. A tentative understanding has been reached, to the effect that in 1994 shipments of commodities will come from Mongolia and Laos. Obviously, he explained, they came to this understanding not on the terms that are called, "if anyone is going to suffer, it won't be us!" Russia proposes receiving, in exchange for the foreign assets that it has inherited, those commodities which state customers are in need of because of the lack of funds for centralized import, and which can be sold in the domestic market with the maximum benefit for the budget.

Previously the implementation of a bilateral understanding concerning the use of commodities to pay off debts to meet state needs used to be carried out under the aegis of the Ministry of Foreign Economic Relations. It was that ministry that determined (nominated) the foreign-economic organizations that were given the responsibility of carrying out the operations to purchase the commodities. As a rule, they were foreign-trade associations that were subordinate to MVES. After the liberalization of the foreign-economic relations and the development of market relations, the circle of middleman importers expanded by drawing on nonstate commercial companies having work experience in the specific markets of the debtor countries. The practice of commissioning middlemen to purchase commodities to pay off credit existed up until the middle of last year, when Minfin [Ministry of Finance] refused the intermediaries subsidies to purchase output. Adding up their transportation expenses, duties, excises, NDS [value-added tax], state taxes, and their own commissions, the importers realized that they would not be able to sell commodities in Russia under the changed conditions. When converted to rubles, the prices of those commodities prove to be considerably higher than the prices that developed on the domestic market. Since neither the budget nor the customer who had ordered the output wanted to continue to assume the additional load, the middlemen, to avoid losses, took the path of even annulling the already signed contracts. The shipments of import to pay off credit proved to be down a blind alley, threatening to disrupt the already existing understandings with regard to the use of commodities to pay off state credit.

All this, in Aleksandr Kurkin's opinion, is what forced MVES, Minekonomiki [Ministry of Economics], and Minfin to change over to the competitive nomination of importers carrying out the delivery of commodities for state needs. A tender committee is being created (the statute governing it has already been developed), and that committee will also include Vneshekonombank and the Federal Service of Currency and Export Oversight. It will select the middlemen's proposals that are the most effective for the budget, that is, it will give the right to carry out those transactions with which the size and deadlines for introducing the ruble equivalent of the value of the imported commodities into the budget guarantee the maximum returnability of the credit funds.

According to Aleksandr Kurkin, from now on the document that will serve as the normative base for the operation of the tender committee will be the guidelines coordinated by the MVES, Minekonomiki, and Minfin concerning the procedure for purchasing commodities to pay off the credit indebtedness. Stated in those guidelines as the basis for settlement between the importer and the state customer is the budgetary share of the proceeds from transactions, which share reflects the ruble equivalent of the currency value of the commodity. To enable the middleman, with all of his real costs, to sell the imported commodity at domestic-market prices, the import value of the output, when making settlements with the budget, is determined with a consideration of an

adjustment coefficient to be established by Minfin, and the money is paid into the budget by the coordinated deadline.

However, the importer who has won the bidding, in exchange for the good favor that the state has shown to his problems, must issue to Vneshekonombank a guarantee from the bank in which his funds are located. There must be an assurance that the middleman will execute under the stipulated terms his pledges to pay into the budget the ruble equivalent of the value of the commodity. Previously it was sufficient to have instructions from MVES in order to begin working. Now, in the event of nonpayment of the ruble cover on the terms established by the tender, Minfin, according to the guidelines, gets the right, on the basis of the nonacceptance clause, to exact from the importer organizations the total amount of the indebtedness with the application of penalty sanctions.

As Mr. Kurkin said, the guidelines concerning the procedure for purchasing commodities to pay off credit was created in order to provide reliable protection for the state interests when carrying out operations to return credit in commodity form. The only persons who should be given access to these operations are reliable middlemen who unconditionally guarantee the payment of rubles into the budget from the sale of the commodity.

In his opinion, the new purchase procedure will serve as the first step toward bringing out of its blind alley the problem of using commodities to pay off credit. Recently, he reported, the first tender was made for purchasing commodities in India in 1994. The next on the list are Indonesia, Vietnam, Turkey, and Pakistan. There is an apparent conviction that within the framework of the new rules the volume of receipt of commodities in the domestic market from the paid off credit will increase. Those branches of industry that proved to be without traditional imported raw materials will be able to employ their workers. There will be an increase in the income part of the budget. Already, thanks to the fact that in June 1994 the NDS and special tax were removed from shipments of commodities arriving for the purpose of paying off credit, he said, the importers were able to return to fulfilling old contracts and to begin selling the commodities that had been imported into Russia. This has also been promoted by the decision by Minfin to make an additional extension until 1 October 1994 of the effective period of the subsidy coefficients according to the previously signed contracts.

#### **MFER Said To Retain Control Over Exports**

944Q0524A Moscow KOMMERSANT in Russian  
No 27, 26 Jul 94 p 16

[Article by Nikolay Bagratyan: "Summer Will End Soon"]

[Text] Authorized representatives of the MFER [Ministry of Foreign Economic Relations] will be accepting documents for registration of export contracts as of 13 July.

However, until 1 September the State Customs Committee will continue to allow export of goods on the basis of effective licenses issued prior to 1 July.

By going over to registering export contracts in place of the former practice of licensing exports, the MFER not only keeps the main levers of controlling export of strategic raw materials in its hands, but even strengthens its positions. The procedure for registering export contracts developed by the ministry no longer foresees even a clear procedure for appealing the actions of regional representatives of the MFER who decide whether or not to grant permission for export.

As has already been noted several times in articles carried by KOMMERSANT, the latest changes in export procedures affect only a relatively small circle of goods; however, many of them are extremely effective in export transactions. Consequently from all appearances exporters will reconcile themselves to the fact that every export contract registration procedure will take considerable energy on their part.

*Recall that this concerns the following group of goods: fish, durum and soft wheat, soy beans, sunflower seeds, alcohol, natural gas, electric energy, mineral and chemical fertilizers, commercial wood of conifer species and wood cellulose, uncut diamonds, copper, nickel, aluminum, tin, magnesium and cobalt, as well as articles made from these metals.*

According to a document drawn up by the MFER the responsibility of registering contracts is assigned to regional authorized representatives of the ministry. In order to undergo registration, the special exporter will have to submit an application (consisting of 26 items) signed by the management of the organization and affirmed by a seal, an original and a copy of the contract, the payment document confirming acquisition of the goods, a commission agreement (if the goods do not belong to the exporter), data on the proposed volume of export deliveries for the current year, and a filled-out draft of a certificate confirming registration of the contract. After this, according to the instructions the local authorized representative will compare data presented in the application with data on the contract and in other documents necessary for consummation of the foreign trade transaction, and it will make a decision to register the contract or deny its registration.

A goodly number of grounds have been foreseen for denial: absence of information in the application necessary to fill out the contract certificate; inconsistency of information indicated in the application with data contained in the contract; inconsistency of the account number indicated in the contract with the account number indicated in the register of authorized banks; violation of quantitative restrictions on the export of goods falling within the scope Russia's international obligations.

But the main thing is that registration may be denied if the level of contract prices is below currently established

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world prices, with regard for their dynamics over the period during which the contract is to be in effect. As for what prices are considered to be world prices in this case, and as for what to do when prices suddenly begin to fall rather than undergoing predicted growth, the statute doesn't say (nor, by the way, had any of the previous instructions and statutes).

Sometime ago, by the way, the MFER instructed its departmental institute—the VNIKI [All-Russian Market Research Institute]—to draw up a kind of price list showing those infamous world prices. But according to associates of the VNIKI, they had to indicate up to 46 different prices of different exchanges and markets in relation to some of the goods! It seems that the MFER hasn't been able to conclusively sort out what price from the list to use as the basis. Thus registration is once again transformed into a guessing game, and in addition, under the new statute if an exporter guesses wrong, he will experience some trouble. If the authorized representative deems that the contract prices are below world prices or if the conditions of the contract cause Russia to suffer an economic loss, he will be "obligated to recommend to the exporter that he amend the contract." And if the exporter fails to follow the recommendation, the authorized representative will notify the MFER of this, which will in turn make the final decision. And this could mean not only denial of registration for the obstinate exporter, but also his exclusion from the ranks of privileged exporters.

It should also be noted that before signing the contract, and before submitting an application for its registration, the exporter must receive a permit from the MFER allowing export of goods on the list. The MFER is insuring itself against the case of export of goods by a nontraditional special exporter.

#### Export Tariffs Reduced for 28 Items

944Q0524B Moscow KOMMERSANT-DAILY  
in Russian 29 Jul 94 p 2

[Article by Vadim Bardin: "Government Changes Tariff Policy"]

[Text] Yesterday was a day of renewal of customs regulations. First, a government decree reducing export rates on 28 items was put into distribution. Second, the government had intended to examine a bill amending the Law on the Export Rate in its meeting. But in view of differences in the positions of the departments, discussion of this issue was postponed.

According to the initial plans, renewal of the export rate should have been followed practically simultaneously by elimination of export quotas and privileges. The idea was that elimination of preferential tariffs would cover the losses of the budget from a decrease in the export

rate. However, as should have been anticipated, the privileges displayed a strong will to live. They survived in their full amount for petroleum exporters. This is precisely why the rate reduction did not extend to export of oil. As a result, quotas and privileges were rescinded (except for the case of oil deliveries) as of 1 July, and the decree "On Partial Change of Rates of Export Customs Duties" becomes effective as of 25 July.

Cane or beet sugar is among the biggest winners of the rate reduction. While prior to 25 July the export rate was 60 ECU [European Currency Units] per tonne, now it is exported duty-free. This innovation should be compared with import duties, for which we observe the reverse picture: Prior to 1 July imports of white sugar were duty-free, while now the import duty is 20 percent. In other words Russian sugar refiners are now supported by tariff methods. Elimination of export duties on sugar also opens up other prospects. I am referring to the long-promised preferential tariffs for production cooperation. Everyone knows that practically anything can be made to fall under the definition of production cooperation. Nonetheless, a government decree equating mutual deliveries under production cooperation (given appropriate expert examination by the State Committee for Industrial Policy and special registration with the MFER [Ministry of Foreign Economic Relations]) to deliveries within the framework of state needs, which are duty-free, is being drafted. Thus a chance appears for exporting sugar within the framework of cooperation in the production of, let us say, alcohol or liquor.

Privileges are also a central issue in amendment of the Law on the Customs Rate. The MFER supports expansion of privileges for Russian organizations: It favors duty-free imports of goods by budget-supported organizations, or when construction or reconstruction is to proceed under federal programs. This department occupies a stiffer position in relation to joint ventures. While in the past they were able to import goods duty-free to form their authorized capital, now the MFER has imposed the condition that in order to obtain privileges, the contribution by the foreign participant must be not less than 10 million ECU. As far as the promised exemption of joint ventures from import duties when they import products for their own production needs is concerned, this procedure is now limited to 5 years from the beginning of production by the joint venture. The proposal is to extend duty-free import to joint ventures participating in reconstruction and modernization of enterprises receiving support from a foreign participant, if the foreign contribution to their authorized capital is not less than 20 million ECU.

At the moment the new edition of the Law on the Customs Rate is being revised. The consent of the Ministry of Finance to expand direct privileges written into the law and the powers of the government in granting additional privileges has yet to be obtained.



**Individual Preferential Tariffs Granted by the Government (Proposals for Amending the Law on the Customs Rate)**

- in the case of export of goods produced by enterprises in which not less than 50 percent of the wage fund is distributed to disabled persons, if not less than 25 percent of the profit is earmarked for their social needs;

- in the case of export of products of a joint venture on the basis of product sharing agreements concluded by the Russian government or a body authorized by it.

Decisions of the government must directly indicate the particular purpose of the privileges and the procedure of their application, and it must contain a list of legal entities receiving the privileges and a list of goods enjoying preferential treatment.

**Changes in Export Customs Duty Rates**

TN VED Code	Goods	Old Rate	New Rate
1701	Cane or beet sugar	60 ECU	0
261 900	Slag (except granulated), cinders and other cast iron or steel production wastes	20 ECU	0
2707	Products of high-temperature coal tar distillation	15 ECU	0
271 111 000	Natural gas	18 ECU	5 ECU
271 112-271 119 000	Liquefied gas	18 ECU	5 ECU
2712	Petroleum jelly, petroleum wax, paraffin	30 ECU	0
280 120 000	Iodine	30%	0
280 130 900	Bromine	15%	0
280 511 000	Sodium	70 ECU	0
2819	Chromium oxides and hydroxides	15 ECU	0
2901-294 200 000	Organic chemical compounds	Different for different items in this commodity group	0
3102	Nitrogen fertilizers	5 ECU	3 ECU
31 022 1000	Ammonium sulfate	0	0
3104	Potassium fertilizers	3 ECU	1 ECU
3405	Fertilizers containing nitrogen, phosphorus and potassium	5 ECU	1 ECU
3911	Petroleum and coumarone-indene resins	15 ECU	0
411 000 000	Natural or synthetic leather wastes	8 ECU	0
440 110 000	Fuel wood	10 ECU	0
440 122 000	Deciduous wood chips or shavings	3%	0
440 399	Logs*	3 ECU	0
440 799	Lumber*	3 ECU	0
4701	Wood pulp	20 ECU	15 ECU
470 200 000	Wood cellulose	30 ECU	10 ECU
4703-4704	Soda and sulfite wood cellulose	15 ECU	10 ECU
4707	Waste paper	5 ECU	1 ECU
7601	Unprocessed aluminum	70 ECU	10 ECU

\*Except for Karelian birch and ash

**Decree on Changes in Export Tariffs, List of Goods**

944F1153A Moscow ROSSIYSKAYA GAZETA  
in Russian 2 Aug 94 p 4

["Decree No. 862 of the Russian Federation Government, dated 19 July 1994, on the 'Partial Change of Rates For Export Customs Duties and the List of Goods That Have been Approved by Decree of the Council of Ministers and the RF Government, dated 30 October 1993, No. 1103, 'Approval of the Rates of Export Customs Duties and the List of Goods To Which They Are Applied'"]

[Text] For purposes of regulating the export of goods and services and creating equal economic conditions for all operating subjects that are carrying out export shipments outside the confines of the Russian Federation, and in

**[Appendix]**

execution of the Edict of the President of the Russian Federation, entitled "Cancellation of the Establishment of Quotas and the Licensing of Shipments of Goods and Services For Export," dated 23 May 1994, No. 1007, the Government of the Russian Federation decrees:

In partial change of the rates of export customs duties that were approved by decree of the Council of Ministers and the RF Government, dated 30 October 1993, No. 1103 (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 45, Article 4340), to establish and to put into effect, as of 25 July 1994, the rates of export customs duties and list of goods to which they are applied, in accordance with the appendix.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

**Rates of Export Customs Duties To Go Into Effect As of 25 July 1994, and List of Goods To Which They Are Applied**

Commodity classification according to the TN VED (Commodity Classification of Foreign Economic Activity)	Brief name of commodity <sup>1</sup>	Rates of customs duties (in ECU per 1000 kg, or in percentages of customs value)
1701	Cane or beet sugar and chemically pure sucrose in solid state	dutyfree
2519 00	Slag, dross (other than granulated slag), sinter, and other waste products of pig iron or steel production	dutyfree
2707	Oils and other products of high-temperature distillation of coal tar	dutyfree
2711 11 000; 2711 21 000	Natural gas <sup>1</sup>	5 ECU
2711 12—; 2711 19 000	Liquefied gases	5 ECU
2712	Petroleum vaseline (petrolatum), paraffin, microcrystalline petroleum wax, crude paraffin...	dutyfree
2801 20 000	Iodine	dutyfree
2801 30 900	Bromine	dutyfree
2805 11 000	Sodium	dutyfree
2819	Chromium oxides and hydroxides	dutyfree
2901—; 2942 00 000	Organic chemical compounds	dutyfree
3102	Mineral fertilizers, or chemical nitrogen fertilizers	3 ECU
	including:	
3102 21 000	Ammonium sulfate	dutyfree
3104	Mineral fertilizers, or chemical potassium fertilizers	1 ECU
3105	Mineral or chemical fertilizers containing two or three nutritive elements: nitrogen, phosphorus, potassium; other fertilizers: commodities indicated in this group, represented in tablets or other similar forms or in packages, the mass gross weight of which does not exceed 10 kg	1 ECU
3911	Petroleum tars, coumarone resins	dutyfree

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**Rates of Export Customs Duties To Go Into Effect As of 25 July 1994, and List of Goods To Which They Are Applied (Continued)**

Commodity classification according to the TN VED (Commodity Classification of Foreign Economic Activity)	Brief name of commodity <sup>1</sup>	Rates of customs duties (in ECU per 1000 kg, or in percentages of customs value)
4110 00 000	Scraps and other waste products of natural or artificial leather that are not suitable for producing articles made of leather: leather dust, powder, and meal	dutyfree
4401 10 000	Fuel wood	dutyfree
4401 22 000 (other than valuable species)	Wood chips or shavings of deciduous species	dutyfree
4403 99 (other than Karelian birch and ash)	Unprocessed timber, stripped or unstripped, roughly squared or unsquared, and others, of deciduous species	dutyfree
4407 99 (other than Karelian birch and ash)	Timber, longitudinally sawn or split, planed, stripped, rough-hewn or not rough-hewn..., others, of deciduous species	dutyfree
47	Paper pulp from wood...; 15-percent paper and cardboard waste products and waste paper	
	including:	
4701	Woodpulp	15 ECU
4702 00 000	Wood cellulose, soluble varieties	10 ECU
4703	Wood cellulose, soda or sulfate, other than soluble varieties	10 ECU
4704	Wood cellulose, sulfite, other than soluble varieties	10 ECU
4707	Waste paper and paper waste products...	1 ECU
7601	Unprocessed aluminum	10 ECU

Notes: 1. For purposes of applying the rates of the export tariff, commodities are defined exclusively by the TN VED code; the brief name of the commodity is given only for convenience in use.

2. When determining the amount of the export duty for natural gas or other products in a gaseous state, the volume of the commodity being exported is computed at the rate of 1150 cubic meters of gas per 1000 kg.

**Decree on Changes in Import Duties, List of Goods**

944F1153B Moscow ROSSIYSKAYA GAZETA  
in Russian 2 Aug 94 p 4

["Decree No. 863 of the Russian Federation Government, dated 18 July 1994, on 'Change of Rates of Excises For Individual Types of Goods Being Imported Onto the Territory of the Russian Federation'"]

[Text] The Government of the Russian Federation decrees:

1. To establish the rates of excises for individual types of goods to be imported onto the territory of the Russian Federation, in accordance with the appendix.

2. To recognize the following as being no longer in effect:

—decree of the Council of Ministers and the RF Government, dated 19 November 1993, No. 1185, entitled "Change in the Rates of Excises For Individual Types of Goods To Be Imported Onto the Territory of the Russian Federation: (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1993, No. 48, Article 4653) with respect to the

rates of excises on undenatured ethyl alcohol; vodka; whiskey; rum and tafia; gin and juniper liqueur; arak; strong alcoholic beverages derived from the distillation of grape wine or from the squeezing of grapes; champagne; cigars, including cigars with ends clipped; cigarillas (thin cigars); and cigarettes made of tobacco;

—paragraph 2 of decree of the RF Government, dated 14 February 1994, No. 116, entitled "Introduction of Changes Into Certain Decisions of the RF Government" (SOBRANIYE AKTOV PREZIDENTA I PRAVITELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 8, Article 608);

—paragraph 2 of decree of the RF Government, dated 25 May 1994, No. 543, entitled "Certain Changes in Decree of the Council of Ministers and the RF Government, dated 30 September 1993, No. 985, entitled "Approval of the Rates of Excises For Individual Types of Goods" (SOBRANIYE ZAKONODATELSTVA ROSSIYSKOY FEDERATSII, 1994, No. 6, Article 611).

2. This decree goes into effect as of 1 August 1994.

[Signed] V. Chernomyrdin, chairman of the Government of the Russian Federation

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## [Appendix]

**Rates of Excises For Individual Types of Goods To Be Imported Onto the Territory of the Russian Federation**

TN VED (Commodity Classification of Foreign Economic Activity) code	Name of commodity	Rates of excises (in percentages to customs value or in ECU per unit of measurement)
220300	Malt beer	0.3 ECU/liter
2204 (other than 22041010, 220430)	Natural grape wines, including fortified	0.5 ECU/liter
220410	Sparkling wines	1 ECU/liter
2205	Vermouths and other natural grape wines with the addition of vegetable or aromatic extracts	1 ECU/liter
220600	Other fermented beverages (apple cider; pear cider; mead)	0.5 ECU/liter
220710000	Denatured ethyl alcohol with alcohol content, by volume, of no less than 80 percent	400, but no less than 4 ECU/liter
220820100, 220820900	Strong alcoholic beverages derived from the distillation of grape wine or from the pressing of grapes	5 ECU/liter
220830	Whiskey	5 ECU/liter
220840	Rum and tafia	5 ECU/liter
220850	Gin and juniper liqueur	5 ECU/liter
220890110, 220890190	Arak	5 ECU/liter
220890330, 220890390	Plum, pear, or cherry alcoholic infusions, including liqueurs	3 ECU/liter
220890310 from 20890390	Vodka	3.5 ECU/liter
220890510-220890790	Other spirits, liqueurs, and other alcoholic beverages	3 ECU/liter
220890910, 220890990	Denatured ethyl alcohol with alcohol content, by volume, of no less than 80 percent	400, but no less than 4 ECU/liter
2402	Cigars (including cigars with ends clipped), cigarillas (thin cigars), and cigarettes made of tobacco	5 ECU per 1000

**Russia, Azerbaijan, Uzbekistan Agree on Industrial Protection**

944F1153C Moscow ROSSIYSKAYA GAZETA  
in Russian 2 Aug 94 p 4

[Article by Lada Kurganova: "Agreement on Cooperation"]

[Text] The Russian Federation Government has approved drafts of agreements with the governments of the Azerbaijani Republic and the Republic of Uzbekistan concerning cooperation in the area of protecting industrial property.

In conformity with these documents, individuals and legal entities of one state intend to enjoy on the territory of another one the same rights and advantages that are granted at the present time or that will be granted only by legal acts to its own individuals and legal entities.

If protective documents of the former USSR at one time were issued on the territory of what is now the Republic of Azerbaijan or the Republic of Uzbekistan, both sides recognize their validity and will take the necessary steps to protect the rights of their owners and originators.

In exchange for their inventions that have been protected by originator's certificates [patents], their creators without any problems must receive compensation in conformity with legal acts of the state where their inventions were used.

The agreements consider the question of the duties to be imposed for the making of applications, the issuance of protective documents, or the commission of other legal actions that are linked with the protection of industrial property. The agreement between the Russian and the Azerbaijani sides stipulates the imposition of these duties in Russian rubles, and the agreement between the Russian and Uzbek sides, in currency.

**Trade Representative in Egypt Interviewed**

944Q0529A Moscow TRUD in Russian 3 Aug 94 p 6

[Interview with Russian trade representative in Egypt Vladimir Davidovich Gulko by TRUD staff correspondent Anatoliy Repin, Cairo, under the rubric "TRUD interview": "We Must Trade With Africa—Advises the Russian Trade Representative in Egypt"]

[Text] Trade turnover between Russia and Egypt in 1993 was almost double that of the prior year, totaling a little

*over 181 million dollars according to preliminary estimates. Many goods that enjoy great demand in both countries are missing from the range of products in mutual trade. Our discussion with Trade Representative of the Russian Federation to the ARE [Arab Republic of Egypt] V.D. Gulko begin with that.*

[Repin] Vladimir Davidovich, let us first clarify two frequent questions that are of interest to readers. The list of imports from the ARE today does not have cotton, even though the Ivanovo textile workers are idle. We also seem to have stopped importing Egyptian oranges. What is going on?

[Gulko] Remember that not only Egyptian oranges, but also fabric, bedding, knit and leather goods and footwear also enjoy great demand at home. Toothpaste, detergents, perfume items and cosmetics produced in Egypt under licenses and technologies from well-known Western firms have sold out quickly. There was a time when we even bought Egyptian flowers and fresh onions. We also imported natural volatile oils for our perfume and food industries, and yarn and cotton for the textile industry. All of this was procured through clearing, without the expenditure of free currency, and actually in payment of Egyptian debts under Soviet credits granted earlier.

We could procure a great deal here today as well, including oranges. But for that we have to earn currency, exporting Russian products they need to the ARE. You cannot force an enterprise of ours that puts out, say, tractors, to agree to take oranges in payment for its exports to the ARE under conditions of the liberalization of foreign trade. The interests of the Russian purchaser of Egyptian goods and the supplier of Russian products to the ARE, that is to say, do not coincide. Thus it obtains that the Ivanovo textile workers, in order to buy Egyptian yarn, have to borrow currency from the state, earn it themselves through the sale of their own products, or find a partner who would agree to supply its goods to the ARE, buy yarn with the money received thereby and sell it for rubles to the Ivanovo people.

[Repin] Russia has switched to transactions in SKV [freely convertible currency] since 1992. Clearing has disappeared into oblivion. But how do matters stand in that case with the Egyptian debts for military deliveries and on credits for other purposes? Our long-time subscribers who worked at one time on building the Aswan dam, the construction of the Helwan Metallurgical Combine and other major facilities would like to know whether Egypt has paid in full. One reader from Kostroma, aircraft engineer V. Radko, judging by everything knowledgeable on these issues, wonders, "How can it be that, having poured enormous amounts of funds into gigantic construction projects and for military aid to Egypt, Russia has now ended up in debt to Cairo?" There is a great deal that is unclear to the broad public, as you see.

[Gulko] You have correctly noted the connection between clearing and debts. The fact is that the payoff of

credits using goods used to be provided for through the mechanism of clearing. According to the terms of governmental agreements, the ARE is to pay off its debt in deliveries of its own goods, and not using currency. They are indeed delivered through clearing. I would like to clarify that under normal conditions, a clearing system assumes balance in the settlements between two countries for goods and services without the expenditure of SKV. We allow imbalances, but they should be covered by deliveries of goods of the country that has not provided the full amount of exports. Our exports have lagged imports from Egypt appreciably in recent years for a number of reasons. That is how our clearing indebtedness was formed, and which by agreement with the ARE was used to pay off part of the Egyptian debt in 1987. The trend has remained, however. That indebtedness had accumulated again by 1992. And since the deadlines for the full payment of the ARE debt to Russia have not yet arrived, we again end up indebted to Egypt, and it to us. The experts on both sides are now working on options for solving this problem. I can reassure our specialists who worked at Aswan, Helwan and other civil facilities that Egypt has paid off the credits for those almost entirely, and the last payments will end this year. As for credits along military lines, that problem was painfully resolved at one time. Their payment was frozen under President A. Sadat. A readiness by both sides to settle that issue has been displayed as well.

[Repin] After such a settlement, we can hope that our trade with Egypt will begin the ascent once again. But the overall impression is being created that our new businessmen are ready to deal with anybody except Africans.

[Gulko] I have been in foreign trade since 1973. I know Africa quite well. I am profoundly convinced that this continent is the most promising one for us now, by virtue of a number of circumstances. The European, American and Asian markets are practically entirely "seized." The mechanism of very harsh competition is in effect there—by quality of the goods, by the technical servicing of hardware supplied, by the terms for the making of deals. We could not withstand that competition even in the old days, when there was powerful and ideologically motivated state export policy. It was difficult for our industrial products. They did not stand up to world requirements in a number of parameters, in particular ecological, that had already begun to be posed then and are much tougher today. Africa has not yet reached that level of exactingness; it is still ready to accept our mass products.

[Repin] Doesn't that sound offensive to Africans?

[Gulko] Not to any greater extent than to us. Such is the reality. What, for example, are the Chinese "pushing" in Africa? Ordinary consumer items—toothbrushes, kitchen utensils, rakes etc. And all of that is consumed there. We have far greater capabilities. It is also important to understand that Africa can provide us with valuable raw materials in exchange for machinery. We still have

production capacity and specialists; why not create joint ventures on the African continent for the processing of that raw material? And then we will be able to ship home fresh goods—instant coffee, children's food, fruit and vegetable preserves, and much more.

[Repin] Perhaps participation in the annual Cairo international fairs would help business contacts for this purpose. There were plenty of people at the Soviet pavilion in times past. The Russian exhibition in recent years has looked quite insipid...

[Gulko] Participation in fairs abroad serves to propagandize the ideology during the Soviet times. There was a great deal done candidly for show, and the genuine aims of the fair itself—to establish business ties and make deals—was a secondary matter.

Today we have again gone to extremes—first the exhibitions abroad were a matter of state importance, and now we are letting them drift along: whatever you like, Mr. Businessman, go ahead and participate.

There are probably businessmen among the readers of your newspaper who are interested in doing business in Egypt. I would not advise them to go to Cairo "on the off chance." If you spend money on exhibition space and on transportation, then take care with the information support for your product. Reference literature, nicely presented in the Arabic and English languages, with the characteristics of the item, information on the manufacturer, the volumes of possible deliveries, the time frames, prices etc. is needed as well.

[Repin] What assistance can the trade office give our businessmen?

[Gulko] First of all, information. A smart businessman first finds out what awaits him, what the competitive environment is like, what the laws and regulations are like in the country, and only then gets down to business.

The trade office, in a case of concrete assistance to some firm in doing business in Egypt, comes to an agreement with it. And we begin to act immediately. We make use of all of our ties and capabilities—we provide translations, transportation, communications, housing, we help with filling out paperwork, we bring them together with the necessary partners, and we get agreement that a given function will be shown on television.

I would say in conclusion that virtually the whole chain of our internal structures is hooked into foreign economic ties. The status of our economic collaboration with the world ultimately depends on each of its links—production, legislation, financial policy and much more. The nature of the problems of Russian foreign economic activity are such that coordinated efforts by governmental, legislative and banking bodies are required to stimulate it. The new entities in foreign trade must be helped. It is namely they who will affect the matter in the given sphere, and in time provide a hundredfold return to the state. Grass will not grow on a bare spot.

### Kozyrev on Relations With ASEAN Countries

944Q0519A Moscow DELOVOY MIR in Russian  
26 Jul 94 p 1

[Interview with Andrey Kozyrev, Russian Minister of Foreign Affairs, conducted in Bangkok by Georgiy Shmelev, RIA NOVOSTI special correspondent: "Andrey Kozyrev: Moscow Should Get To Be 'At Home' in the Politics and Economics of Asia"; date of interview not given]

[Text] As DELOVOY MIR has previously reported, a forum of the Association of Southeast Asian States (ASEAN) foreign ministers, to which colleagues from countries that are not ASEAN members have been invited, is being held in Bangkok. Andrey Kozyrev, the head of Russia's foreign-policy department, is also taking part in it. At our request Georgiy Shmelev, RIA NOVOSTI special correspondent, who is presently in Bangkok, asked the Russian Federation minister DELOVOY MIR's questions.

[Shmelev] DELOVOY MIR's readers are interested in your answer to the question: How is the process of Russia's rapprochement with the ASEAN countries going in connection with the present meeting of that economic group's foreign ministers?

[Kozyrev] Russia's dialogue with the six foreign ministers of the ASEAN countries is becoming a regular element of Russian Asian policy. This is already the third such meeting. Granted, this time we are participating not as a guest of the association but as a consultative partner, which in and of itself indicates our countries' steady rapprochement. This is real rapprochement itself, the palpable fruit of our cooperation over the past two years. This is the circumstance that enabled me, in speaking on 23 July at the Russia-ASEAN meeting in the course of the present conference of the foreign ministers of the "Six" (ASEAN comprises Brunei, Indonesia, Malaysia, Singapore, Thailand and the Philippines), to announce the advisability of moving to the next stage in the evolution of our relations—the stage of full-scale partnership.

As for my visit to Thailand, which was, incidentally, the first official visit by a Russian minister of foreign affairs, the Thai side was given a draft treaty on the principles of friendly relations between the RF and Thailand. A number of areas were proposed for the development of cooperation, in both traditional spheres and new ones, such as the military-technical area (after the "Malaysian model"), and for the establishment of business ties between Thailand and regions of Siberia and the Far East. So far no particular progress is evident here, which should be attributed to the doubts that the ASEAN countries' entrepreneurial circles have experienced regarding the investment climate in Russia. Now the situation has fundamentally changed in the country, in Russia, and we attempted to convey this to the people we talked with in Thailand. We agreed to conclude work



soon on agreements on the protection of investments and the avoidance of dual taxation.

[Shmelev] What sort of economic results can be anticipated as a result of this rapprochement?

[Kozyrev] Both the visit and the participation in the conference of ASEAN foreign ministers confirmed a mutual interest in the development of political, economic and even strategic cooperation. This is the third time I have taken part in a dialogue with ASEAN. But it seems to me that I am just now beginning to better understand that the way of thinking in Asia is different from the one to which we have grown accustomed in Europe. Unfortunately, for a fairly long time we were "out of the political game and out of Asian politics," and of course, it will take a certain amount of time to enter into the region's problems and into the "political and diplomatic corridors," to enter the market and to get to be "at home" here.

The path toward our obtaining economic benefits here is more complicated than in the West. It is said that business in Asia, and in ASEAN, in particular, is totally separate from politics (that's a popular notion), but in my opinion it is much more closely bound up with state policy and more oriented toward it here than even in the West. Local corporations' antennas are tuned to the state wave length, possibly because society here is fairly governable and controllable.

Therefore, unless we have close political relations and are "at home" in Asian politics (this pertains to each country), and until there are elements of trust, business

will not make any progress here. I believe that we are doing something that is fairly important—we are creating a climate and preparing the soil on which far more opportunities will grow—for both our entrepreneurs and state enterprises—for real economic relations.

[Shmelev] What can you say about the admission of new members—Vietnam and other Southeast Asian countries—to ASEAN?

[Kozyrev] It is true that Vietnam is first in line for admission to ASEAN. That is stated in the final Joint Communiqué of the 27th Conference of the ASEAN Ministers of Foreign Affairs; consent to its admission exists, although the dates have not been determined. It is assumed that it will occur before the next ASEAN summit meeting next December. Next in line are Laos, Cambodia and Myanmar, but things are more complicated in this case (instability, human rights). Ultimately matters are moving toward the establishment of a community of the "Southeast Asian Ten," which will comprise all the region's states.

[Shmelev] What is your impression from the meeting of ASEAN foreign ministers?

[Kozyrev] The association has been given specific proposals for cooperation (in trade, investments, space, and so forth). The ASEAN general secretary will come to Moscow in October, and a whole program is being drawn up; it will include, among other things, the development of a mechanism for both political and economic cooperation. There will also be practical results—the establishment of various joint commissions, and so forth.

## KAZAKHSTAN

## Kazakh-Slav Relationship Examined

944K2056A Almaty PANORAMA in Russian No 31,  
6 Aug 94 p 11

[Unattributed report "The Harmony Republic Grass-roots Movement Has Distributed an Appeal to the Slavs of Kazakhstan"]

[Text] The Harmony republic grassroots movement has distributed an appeal to its fellow-citizen Slavs of Kazakhstan. PANORAMA reproduces it in somewhat abridged form.

The percentage of Russians in Kazakhstan has in the past four or five years declined from 44 to 37. If such a rate of departure is maintained in the coming years, the number of Russians in Kazakhstan will in the foreseeable future have declined by 1.5-2 million (there are currently 6 million of them approximately), and then they truly will have become a national minority. People are free to determine their place of residence, of course, but let us ask ourselves certain questions.

Does a better lot await Slavs elsewhere?

Does it make sense to part company with an area that has long been one's home, where one's kinfolk have lived and continue to live in the third, fifth, and tenth generation even, and where one's fathers, grandfathers, and great grandfathers have been laid to rest?

Why should Slavs leave places abundantly watered by their sweat and transformed by their labor and abandon the colossal wealth earned by the people: plants, factories, power stations, complete cities, cultivated plowland, and such without receiving any compensation for this and, in addition, being subjected to a humiliating procedure of inspection at hastily erected customs houses in the event of involuntary departure?

It is within our power to decide much here without going anywhere.

Were we to act cohesively, concertedly, and energetically, we could ensure that in dozens of Kazakhstan universities, institutes, and other educational institutions both the children of "natives" and of Slavs could study in equal proportions. It would not then be necessary to throw up each and everything and head into the unknown, especially since, simply put, alas, the doors are being closed to immigrants from Kazakhstan in many states of the CIS, with no promise either of work or registration in the cities or of the allocation of land in rural localities—there is not enough of this for their own people, they say....

To think that immigrants are awaited with open arms is a delusion and naivete. No one anywhere, in present-day Russia included, however regrettable this might be, needs poor people that do not have a thick wad of dollars in their pockets.

The country in which we live has historically been multinational. The Kazakhs, the people that gave the republic its name, are largely similar in mentality and character to the Slavs. This is a given fact that cannot be refuted and has to be taken into account. In actual fact, the Kazakhs, like the Slavs also, are characterized by such national character traits as openheartedness and magnanimity and a readiness to provide warmth and share all that they have with the needy. A feeling of animosity or superiority is alien to them. They, like us, are tolerant. Several generations of Kazakhs have demonstrated a devotion to Russian culture and the Russian language. Slavs have grown close to the Kazakhs to a large extent and, we confess, had never before felt as though they were not at home here. Slavs and Kazakhs have had and continue to have a mutual need for each other. The destinies of the Slavs and the Kazakhs have been interwoven for several centuries now. There have been all kinds of things in the relationship of our nations, but there has been more of that which is good and positive. And, generally, there is nothing for the peoples (only not apostates of various stripes, of whom there are enough in the world) to divide up other than their common historical fate. We are condemned to live together historically and geographically.

So would it not be more prudent for all—both Slavs and Kazakhs—at this sharp turning point in history to discuss together the unresolved problems of our existence and to formulate common positions that unite us? In order to conclude a kind of interethnic treaty of friendly joint human community living, as we had before, in which there are no mutual insults and where there is sufficient room for all—both Kazakhs and Russians and all other peoples and nationalities—and in which they all feel at home. To achieve an atmosphere of complete mutual understanding and genuine equality. Rectifying the defects in all spheres of our life is not the easiest of tasks. But it is a gratifying and necessary task. Its accomplishment will require enormous and continuous efforts from both sides and the surmounting of outmoded, conservative cliches of thinking and behavior at all levels.

Slavs, incidentally, need to take better stock of their duty and get to know in greater depth the soul of the Kazakh people. We could earn the sincere respect of the Kazakhs by endeavoring to ensure that our children, while getting to know the beauty of their native Russian language, study Kazakh. This would be to the benefit of all. People of the older generation, elders, scholars, teachers, and public figures and politicians could do much to establish a friendly atmosphere between our nations. Our young people, who are just starting out in life, will have to recognize the new historical realities. The main thing is to understand the times in which we live and to clearly determine our place, our reference points, and our role under the new historical conditions. We must know how without great moral losses to adapt to the new conditions and remain ourselves here.

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The individual human life is short, peoples live for thousands and thousands of years. The Slavs and the Kazakhs have learned much from each other down the ages. The idea of a Eurasian commonwealth is currently being conceptualized and proposed as an alternative to the estrangement and partitioning of our peoples and states. The contours of a qualitatively new commonwealth—a union of Eurasian states, of which Russia and Kazakhstan are, obviously, fated to be the basis—are emerging for the future. The question of whether Slavs should be leaving Kazakhstan is at this time even more serious and pertinent in this connection.

A balanced analysis of the social and political situation taking shape in the world and the trends of the development of the historical process enable us to give a firm and categorical negative answer to this question.

We representatives of Slav grassroots movements and centers appeal to our compatriots: "Slavs! Be sensible! Before adopting the fateful decision to leave Kazakhstan, weigh all the pros and cons and measure seven times before you decide to cut yourself off from this land, which has become for you a second home."

#### New Mayor on Almaty Situation, Problems

944K2054A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 6 Aug 94 pp 1,2

[Interview with Shalbay Kulmakhanov, Almaty mayor, by KAZAKHSTANSKAYA PRAVDA correspondents; place and date not given: "Shalbay Kulmakhanov: 'Problems Remain, but a Lot Must Change'; the New Mayor of Almaty Prefers Concern About Today and Tomorrow to 'Digging in the Past'"]

[Text] [KAZAKHSTANSKAYA PRAVDA] Shalbay Kulmakhanovich, many people associate Almaty with a garden city, but its residents mention this less and less frequently... How would you characterize Almaty's condition?

[Kulmakhanov] I know it rather well—I worked here for a long time on construction in various positions, and, in particular, I took part in the construction of the circus, the Kazakh drama theater, and a number of other projects. I was the deputy chairman of the city executive committee. I was away for six years—I worked as the chairman of the North Caucasus Oblast executive committee and the head of the Aktyubinsk Oblast administration. Naturally, during all of this time, I was frequently in Almaty on business, and I saw that the situation was deteriorating. The city became dirty. Transportation is running poorly, and there are enough other problems. It is simply painful to look at a lot of things. Therefore, from the first days of the new assignment, I figured that I should start with the introduction of elementary order. It is quite possible to do this. It is necessary for the authorities, all city services, and the city's residents to set high standards, first and foremost for themselves.

A lot of work lies ahead with public transport. It has already been started. The management of the city motor vehicle administration has been replaced. We are making arrangements for the production of spare parts directly at Almaty enterprises and for cooperation with other cities. New equipment is also necessary. Most of all, there is a need to renew the streetcar inventory, which is 80 percent worn out. However much the administrators err in the tax burden, we intend to collect fully the money that is needed to improve the work of the city's transportation system.

[KAZAKHSTANSKAYA PRAVDA] Regarding the money problem: How do you assess the prospects for the Almaty metro?

[Kulmakhanov] Undoubtedly, it has to be completed. If we do not have enough of our own forces, we are prepared to work with foreign investors under mutually profitable conditions. Right up to their direct participation in the completion and the operation of the underground in the initial stage with the receipt of a substantial share of the income. In the final analysis, no one will run away with the metro from here to anywhere.

[KAZAKHSTANSKAYA PRAVDA] How interconnected do you find the socioeconomic and political situation to be? If it is no secret, do you adhere to a specific political view?

[Kulmakhanov] The interconnection is apparent and close. A wide spectrum of problems is tearing the city apart. This, naturally, affects the mood of the people. I realize fully that if the questions piling up in the sphere of transportation, maintenance, services, and support of the poor and large families are not resolved, then all of this will result in justifiable dissatisfaction. But, it is impossible for us to risk political stability, since it is precisely today what determines our ability to overcome the crisis. I suppose that it is not difficult to surmise my political convictions. Since I am on the president's team, it follows that I will conduct his policy. I do not have any party preferences at present.

[KAZAKHSTANSKAYA PRAVDA] Almost all of the city's troubles are associated with the name of your predecessor. What do you think in this regard? Where is the guarantee that you will escape this kind of talk?

[Kulmakhanov] I inwardly analyzed all of the shortcomings of the former leadership of the city, but I do not consider it necessary to talk about this after taking over from him. No dividends are earned from this. I am conducting an account from the day that I myself took over the duty of mayor, but I do not intend to dig into what existed before me. I always try to make decisions in my work collegially, and I consult on and analyze both positive and negative aspects. I frequently ask the workers how they themselves assess their own actions, which some do not like—to this day, self-criticism is not highly regarded. But, in my opinion, self-analysis never hurt anyone.



[KAZAKHSTANSKAYA PRAVDA] Almaty is a city of foreign tourism and a lot of diplomacy. Our foreign friends and ambassadors have surely already submitted a request to you to give them a good office. Many dream of leasing not only the premises, but the land also. What are you doing in this regard?

[Kulmakhanov] Yes, we already have requests of this kind. Of course, I am trying to resolve their problems. Nothing should be left hanging—this is my principle. But land, I think, should be given only in competition under specific conditions: It is necessary to know what amount will come into the city treasury as the result of a lease, and how one or another parcel of land will be used. Projects must correspond to the general plan of the city, which, unfortunately, few have complied with. In addition to everything else, the land must not remain without supervision, and its use should be monitored. In the event of the disclosure of cases of unauthorized and inefficient use of land, we will annul lease contracts.

[KAZAKHSTANSKAYA PRAVDA] What did you think of the decision to transfer the capital to Akmola? What will Almaty's special status be? Are any kinds of privileges being proposed for the city?

[Kulmakhanov] By adhering to presidential policy, I support him. It is a question of dates. Even developed Germany spent 10 years on the transfer of the capital from Bonn to Berlin. We have a difficult economic situation, and we are living through a complicated time. Therefore, the main problem is the material, financial side, which will certainly make its adjustments during the dates of its transfer. As for the special status, we have set up a commission for its elaboration. We plan to submit a draft law on the special status of Almaty to the government and to the Supreme Council.

I would not want to jump ahead of events now and detail the content of the economic status. I will say one thing: The city will remain a major cultural, scientific, and business center. But we are not counting on any kind of special privileges.

[KAZAKHSTANSKAYA PRAVDA] But, after all, Almaty yields in its economic potential to many cities of Kazakhstan. Its growth has been impossible for a long time by virtue of ecological reasons and overpopulation. Will the city be able to maintain itself alone? And, in general, what does the income and expenditures balance sheet of the city look like in general?

[Kulmakhanov] The city can and must maintain itself; moreover, it could already have done this long ago, if it were not for the existing budget policy. I am generally a supporter of the position that each city and region should maintain itself independently.

Only 40 percent of all of the taxes that Almaty collects returns to its budget. If this share is increased by up to 65-70 percent, the city could live normally.

[KAZAKHSTANSKAYA PRAVDA] Criticism was directed against our past predecessor, because of his reluctance to publish the city budget. In your opinion, is it necessary for the city residents to know it? If yes, then in what forms do you intend to organize the monitoring of public opinion in the formation and use of the budget?

[Kulmakhanov] I am convinced: Everything must be done according to the law. And, according to it, the taxpayers and voters have a right to know the financial balance sheet of the territory on which they are living.

And I make so bold as to assure you that Almaty residents will know this information in the very same volumes that will be available to the deputies of the city council [maslikhat]. As for monitoring public opinion, I do not plan to organize anything special here. Let the public itself choose these forms of control with our one condition: Everything again should be done within the scope of legality and civilized relations.

[KAZAKHSTANSKAYA PRAVDA] How does Almaty look from the standpoint of movement toward a market economy? With what are you starting to build your relations with the nonstate sector? There were rumors after your visit to the central market that the new mayor looked coolly at private trade and the nonstate sector as a whole...

[Kulmakhanov] They are already saying this? Well, I will clarify this: I am for the all-round development of the nonstate sector of the economy, including trade, but I am categorically against both their small and large barbaric forms. Is it pleasant for you to make your way through a crowd of merchants, fearing to step on their commodities, including food products that are laid out almost on the bare ground? Not to me! But this is observed everywhere, even in specially assigned places. Take the Nikolskiy market. After all, until recently, the traders themselves did not have a place to wash their hands or, excuse me, go to the toilet. So, with respect to this kind of a market, I am opposed. And I will require an expanded network of trade and other business, only given the proper arrangements, strict compliance with sanitary standards and tax rules, and an increase in the general culture of service. This is one aspect. Another is that not much is being done in Almaty for market progress, and a lot, I will put it this way, requires straightening out and a clearer delineation: What the local authorities should do, and what the entrepreneurs themselves should do. In my first meetings with my subordinates and with businessmen, I let it be known unambiguously: I do not want to raise the past, but there will be no more of those "mutual relations," rumors about which even reached me. Private requisitions, red tape in the resolution of elementary questions, persecution if you do not observe the shady "rules of the game"—all of these defects have to be eliminated. For example, I agree with Kozykorpesh Yesenberlin, the new director of the State Property Committee, that both the republic and Almaty could now have substantially more resources from the process

of privatization that is necessary for both the budget and for other purposes. We are now looking into the suspiciously low lease payments in privatized (prestigious) buildings, we are revising the conditions of cooperation with some firms, and we are seeking additional sources of extracting incomes for the benefit of the city.

What has been—has been, but a lot has to be done differently.

[KAZAKHSTANSKAYA PRAVDA] In connection with this position—how would you classify yourself as a manager: democratic, authoritarian, or still another type?

[Kulmakhanov] Frankly, I do not like these definitions. I strived to do the job in all positions—first, sensibly and second—legally. I do not intend to change these rules now either. Moreover, a manager is judged in many ways by the people around him. For example, of the new people who have appeared in the city administration, there are Ivan Kravchenko and Aleksandr Belovich, whom I have appointed as deputy chiefs. Who are they? Kravchenko went through the school of work in production and in party and soviet organs. In the last two years, he managed a private firm that was practically the only one of the nonstate structures in Almaty that spent a substantial share of hard currency earnings, and specifically DM4.5 million on the establishment of production (I emphasize production!) areas. Until recently, Belovich managed the nonstate Basis construction company, with a numerical strength of 600 persons, which in the past year built 65,000 square meters of housing. Both of them studied production from the inside, and they have sufficient innovative ideas. This is characteristic of not only the kind of manager that I am, but also what my attitude is toward the nonstate sector.

[KAZAKHSTANSKAYA PRAVDA] The dangerous spread of crime is generally well-known, including organized crime and economic crime. Can you talk about what you already know and how you will oppose the mafia? What is the change in the leadership of the Almaty militia associated with, which occurred practically immediately after you took over your new position?

[Kulmakhanov] You cannot envy the workers who devote themselves to the fight against crime—even its theory, not to mention its practice, convinces one that a regular change of personnel, including the leadership, is necessary in law enforcement organs in the interests of the work.

In the first half of this year, 931 workers of the Almaty militia were punished in a disciplinary procedure, including 517 officers and 414 persons from among command personnel. Already 278 persons have been discharged from the militia for negative facts. Literally on the eve of my meeting with you, I was informed about the arrest of officials from the Kalinin ROVD [rayon department of Internal Affairs] for taking bribes. Well,

what other comments are necessary here? Forty-one-year-old Gusman Bizhigitov, who has been appointed the new director of the city militia, went through practically all of the service grades, completed the Omsk Militia School, worked in Kurgan Oblast, managed the rayon department in Kokshetau Oblast, was the deputy chief of the oblast UVD [Directorate of Internal Affairs] in North Kazakhstan, and for the last two years, has been the chief of the Aktyubinsk Oblast Directorate of Internal Affairs.

I know this person very well as a specialist and professional, and we already have some preliminary outlines for ways to restrain crime.

We plan to rely on labor collectives and the public, and to adopt useful experience. In particular, the experience that exists in Tashkent, where the exposure of crime reaches 80-90 percent against our 48 percent, where car hijacking has almost stopped, and where petty hooliganism is on the decline.

[KAZAKHSTANSKAYA PRAVDA] Almaty is a city with a high concentration of resident pensioners. At a recent meeting of the Cabinet of Ministers, you mentioned a sensational figure: The city allegedly received a sum for housing construction for which only...100 square meters of housing can be built! What can pensioners and other poor people expect—to whom, according to the law, the state is supposed to grant free housing despite all of the difficulties of the transition to a market?

[Kulmakhanov] We will be exact: It was planned to allocate 67.5 million tenge from the fund for the reorganization of the economy for this year for the construction of housing, including 55 million owing to the shared participation of the ministries and departments. But, in the first half year, actually 1 million was allocated—a sum that is equivalent in today's prices, if we are to be extremely accurate, to 103 square meters of housing. This is nonsense. Besides, the government had plans to cut this sum, 67 million, as well.

There was a promise to leave 30 million from the aforementioned sum, but I think that it was necessary either to give everything that was planned or to resolve our problems at the expense of an increase in the share of tax collections being returned to the city's budget. We are also looking for other approaches to the creation of a housing market.

[KAZAKHSTANSKAYA PRAVDA] What is the scale of the objective that you are setting for yourself in the foreseeable future besides establishing order, improving transportation operations, fighting against crime, and increasing budgetary revenues?

[Kulmakhanov] One of the urgent questions for a majority of the Almaty residents is the problem of housing. The requirements of the population can be met only by means of a qualitatively new approach to the

creation of a housing market that is real and robust and that relies not only on wealthy people, but also on the majority of the city residents. As for the outlook for the development of the city, the main objective is to overcome the crisis in the industries in the national economy, to conduct a socially oriented policy, and to build an effective economy whose backbone is industry. It is necessary to develop all branches of industry, and the energy complex needs support most of all. The progress of reform in many ways depends on the successful transformation of the population into a class of private owners and the intensification of incentives for work. An adjustment is needed in the process of destatization and privatization, taking past experience into account. A consistent policy is needed in the regulation, support, and development of small and average business. Work and structural restructuring are needed in all directions. We can overcome the crisis only with common efforts and by resolving all questions in a comprehensive way. I think that Almaty residents will support me in this.

#### **Professor on Ailing Kazagroprombank**

944K2055A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 6 Aug 94 p 2

[Article by Vladimir Radostovets, professor of the Kazakh State Academy of Management, under the rubric "Opinion": "What Is To Happen to Kazagroprombank, Paralyzed by Client Nonpayments and a Negative Balance"]

[Text] In the interview "The Rumors of Kazagroprombank's Demise Are Exaggerated," published in issue No. 100 of KAZAKHSTANSKAYA PRAVDA on 15 July, the first deputy chairman of this bank, A. Irkenov, described in detail its problems and troubles. The situation is indeed critical. To the above, I would like to add that it will become even more difficult since the Agroprombank is quickly losing clients. For instance, the Altyk state joint-holding company, which has accounts in the Agroprombank, is being compelled to set up its own bank.

Judging by the newspaper material, it appears that there is apparently nothing Kazagroprombank can be faulted for. The systematic negative balance in its accounts is a result of the fact that initially it did not become a "pure" commercial bank but was turned by the government into a distributing center for multibillion credit resources to agriculture. Everybody knew in advance that the borrowers—which in this case were first and foremost kolkhozes, sovkhoses, and other agricultural entities—would not pay the loans back on time, but nevertheless loans were issued. And the current disproportions in prices between industrial and agricultural goods, high interest rates, and the general production decline completely emptied the agricultural enterprise's kitty and brought it, so to say, to its knees.

The republic government and the Supreme Council are in the same dead-end situation, forced to find enormous

credit resources and issue them without any hope for timely repayment. Thus a vicious circle has formed: loans without debt repayment on the part of the borrowers, a negative balance, and loans again... It is hard to tell how long this will go on, but so far the agricultural enterprises cannot survive without state support.

Time goes on but mutual clearing is not being done. This pushes even deeper into the dead end not only the real debtors but also the bank's other clients, who operate profitably and are quite solvent. They find themselves in a jam through no fault of their own—they cannot withdraw money from their own accounts. The exceptionally difficult situation that has emerged in Kazagroprombank thus affects the interests of the entire agro-industrial complex and Kazakhstan's economy as a whole.

Having promised that the bank will begin to operate normally after all, A. Irkenov was not specific as to when this will happen. One gets the impression that he is simply engaged in wishful thinking.

Contemplating this problem, I believe that the state willy-nilly will issue billions more tenge in order to somehow support the countryside and carry out the harvesting. And when this happens, the bank's situation as a de facto bankrupt will exacerbate further.

How do we get out of this seemingly hopeless situation? In my opinion, Kazagroprombank should be relieved of the function of distributor of state credit resources, which is extraneous to its direct business. There is only one way in my opinion to solve the nonpayments problem: set up a committee for state targeted credits under the National Bank, which will issue loans to farmers at the optimum interest rate and carry out the work related to their repayment. First, this would preclude the possibility of pilfering of state money by commercial structures; and second, the demand for money will sharply decline, while it will end up where it was intended to go.

Let us assume this proposal is accepted. The question will immediately arise as how to implement it in practice. The extensive network of Kazagroprombank's offices could serve as a base of operations for the National Bank's authorized committee. Some Kazagroprombank employees could take upon themselves the function of specialists in such a committee. This would allow on one hand to gradually free the agrarian bank from the negative balance and make it a truly joint-stock commercial bank, and on the other, sovkhoses, kolkhozes, and other farms, which receive loans at the committee's special units, would be held more responsible for them than they are now.

For this undertaking to succeed, however, the National Bank, too, will have to implement a more consistent and flexible policy in noncash clearing. As it stands now, one fine day we learned, for instance, that the acceptance-and-collection form of settlements had been repealed,



and then settlement checks as well. Is it perhaps simply unprofitable and cumbersome for banks to engage in this form of clearing? It is indeed easier to dump this burden on participants of trading and other operations by introducing a blanket prepayment requirement, which now the entire foreign business bank is laughing at...

In February 1992 the National Bank approved the "Temporary Statute on the Settlement System Utilizing Bills of Exchange," which is not being used because of the absence of a legislative base. At the same time, work on drafting the laws on check and bill of exchange forms of payment is hopelessly lagging. And these are the provisions that should form the basis for noncash settlement and an effective mechanism for market relations.

The National Bank's passivity in dealing with these matters leads to considerable losses in the national economy. As a result, exchange of goods (barter) deals are flourishing in the republic, in which domestic raw materials are exchanged on the cheap for expensive foreign-made consumer goods, cars, etc. As a rule, barter deals do not benefit state interests. Export operations carried out within the framework of barter deals usually result in import of goods. Consequently, participants in barter operations keep all 100 percent of hard currency earnings, and avoid paying value-added tax and tax on profit.

Here they are, the sources for replenishing the republic budget.

### Industrialists Appeal to Government

944K2057A Almaty PANORAMA in Russian No 31,  
6 Aug 94 p 11

[Report by N.D.: "Heads of 44 Almaty Industrial Enterprises Appeal to the Supreme Council: Industrialists Draw Republic Authorities' Attention to Dismal Situation in Industry"]

[Text] A press conference took place on 29 July at the initiative of Mels Yeleusizov, executive director of the Almaty City Industrialists Union, and a number of directors of Almaty enterprises.

At the press conference, they distributed the text of the appeal to the republic Supreme Council signed by 44 Almaty industrial enterprises. By the design of its initiators, the document ought to put pressure on the republic authorities and draw attention to the dismal state of industry in the republic. As Mr. Yeleusizov put it, concrete decisions regarding normalization of the situation must be adopted before convening an out-of-turn congress of industrialists, the demand for the convening which is set in the appeal. According to Mels Yeleusizov, the congress must be held at the initiative of the grass-roots, not the way it had been done before—after the initiative group had been summoned to the president's staff.

It appears that Mr. Yeleusizov had been prompted into making his plans public by the tough position of Mrs. Zaytseva, chairman of the Almaty industrialists union and director of the Almaty Cotton Combine, who, together with the leadership of the Imeni Kirova plant and the Mer-y joint-stock society, not only did not sign the appeal to the republic Supreme Council but also took certain steps aimed at canceling the planned congress. For instance, she told Mels Yeleusizov that he was no longer the executive director of the union's Almaty branch.

At the press conference, representatives of the Almaty directors' corps described the situation of enterprises whereby it is currently almost impossible to produce anything. Producers encounter numerous problems and, according to directors, have to think not so much of production expansion or modernization as merely retention of the cadres. The industrialists named among the measures that need to be taken immediately the need for real changes in the tax system, making taxes less burdensome, and the system itself—simpler. As Mr. Gadzhimurayev, director of the Almaty ball-bearing plant, noted, the plant's management cannot even do such a simple thing as estimate its financial potential, because every time it is not known how much will be demanded by the tax inspectorate, which, in Mr. Gadzhimurayev's words, "spends day and night at the plant and other industrial enterprises."

Mr. Gadzhimurayev also reported that his enterprises dutifully pay 5 percent into the investment fund and 1 percent into the entrepreneurship fund, but at the same time has not received any state investment. The director had very harsh words to say about the current credit system with interest rates of 400 and 450 percent, as well as the short term for which credit is available. In the director's opinion, such terms benefit only middlemen structures. At the same time, in Mr. Gadzhimurayev's opinion, purchasing, for instance, imported equipment, which is the only kind suitable for ball-bearing production, takes about a year and a half, not to mention the time needed for installation and implementation operations.

The industrialists insisted on long-term credits and finding the money to resolve the mutual payments problem. They say that the republic's credit-monetary system does not fulfill its functions, and barter again becomes dominant in relations between enterprises. The directors directed much criticism at the existing banking system, which begets, in Mels Yeleusizov's opinion, "corruption and bribe-taking." In his words, the state has turned today's young merchants into criminals.

Another sphere where, in the director corps' opinion, immediate changes are needed is privatization, which currently only leads to bankruptcy of enterprises so that later certain groups of the population could purchase property cheaply. As the example of most criminal privatization they cited the case of the Plastik plant,

whose value was appraised at 900,000 tenge, while in the end of 1990's [as published] new equipment worth \$1.5 million and 1.7 million tenge was installed at the plant. "Moreover, the very idea of investment funds is a sham and in reality is a great deception; people's wealth will be sold for meaningless paper," said Mr. Yeleusizov.

The directors associate the difficulties being experienced by Kazakhstan's economy with the current course of the government, whose intellectual level was criticized at the press conference. The director corps' representatives were unanimous also in that a social explosion is possible in the fall. According to plant directors, workers have not been paid wages since April-May; many enterprises are compelled to send almost entire collectives on open-ended leave, which essentially is the worst form of unemployment.

Nevertheless, no convincing alternative to the current line of privatization was proposed at the press conference; the industrialists also ignored the subject of budget deficit, from which the directors want to draw benefits, which assumes, in turn, higher inflation. As to the position of the Almaty Cotton Combine director Mrs. Zaytseva and her confederates, the press conference participants called it a "betrayal of the directors' cause."

#### **Kazakhstani-German Commission Meets**

944K2041A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 5 Aug 94 p 1

[KAZTAG report: "On Problems of Kazakhstan Germans"]

[Text] The regular meeting of the Kazakhstan part of the Kazakhstan-German Intergovernmental Commission on Questions of Germans Living in the Republic was held under the chairmanship of Deputy Prime Minister Tulegen Zhukeyev.

A report was heard on the activity of various ministries and departments in implementation of Decree of the Cabinet of Ministers of 21 October 1993 "On a Comprehensive Program for Ethnic Regeneration of Germans Living in Kazakhstan." This question was analyzed in detail in light of the forthcoming consultative meeting with the German delegation of the Kazakhstan-German Intergovernmental Commission. It was emphasized that not all departments, especially local ones, are conducting the proper systematic work to implement the government decree.

From the results of the session a protocol resolution was adopted which earmarked paths to further improvement of this activity and elimination of shortcomings and omissions in it.

#### **Protocol Signed With DPRK**

944K2041B Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 5 Aug 94 p 1

[Report by press service of the Ministry of Foreign Affairs of the Republic of Kazakhstan: "Protocol on Consultation and Cooperation Signed"]

[Text] In the Republic of Kazakhstan Ministry of Foreign Affairs a protocol was signed concerning consultation and cooperation among foreign political departments of Kazakhstan and the Democratic People's Republic of Korea, according to which the Republic of Kazakhstan and the DPRK will conduct a regular exchange of opinions and information on questions of bilateral relations and international problems.

In particular, the protocol envisions rendering assistance for political, economic, and cultural cooperation, strengthening ties among territorial and functional subdivisions of the two ministries, and conducting consultations regarding various issues that are of mutual interest. The document was signed by the first deputy minister of foreign affairs of the Republic of Kazakhstan, K. Tokayev, and the extraordinary and plenipotentiary ambassador of the DPRK, Li Gil-nam.

#### **'Great Exodus' of Germans Analyzed**

944K2047A Almaty KARAVAN in Russian No 31,  
5 Aug 94 p 7

[Article by Tatyana Zlotnikova: "And Why Are They Leaving Anyway?"]

[Text] The departure of each person from Kazakhstan is a tragedy for the republic. The president has said this repeatedly (and using almost the same expressions). Nursultan Nazarbayev especially singled out representatives of the German diaspora, emphasizing how exceptionally hard-working and assiduous these people are. Nonetheless the problem of the "great exodus" of Germans from Kazakhstan is as critical today as it was yesterday. Independent statistics confirm that of the 222,000 people who left the republic, 84,200 were Germans. So why are they leaving? Let us try to answer this question based on a study conducted recently by the State Committee on Statistics and Analysis.

According to the results of the study it turns out that with the same economic conditions, the level of income in German households, as a rule, is higher than in Kazakh and Russian ones. Here are the figures: During the first quarter of this year the monetary income of German city dwellers amounted to 2,682 tenge, Kazakhs—2,009, and Russians—2,404 tenge. In rural areas these figures were 1,782, 1,248, and 1,647, respectively.

Statisticians draw the conclusion that the differences in the levels of monetary income are brought about to a greater degree by the national peculiarities of the way of life than by other factors: Germans live in ordinary population points and in terms of the size of their families and number of dependents and children they occupy an intermediate position between Russians and Kazakhs. According to data from the poll, 73 percent of the German households were working the land and the majority of them provide their own fruits and vegetables and sell their surpluses. In the budget of the rural German family proceeds from all kinds of sales, mainly

from the sale of agricultural products, amounted during the first quarter to 412.6 tenge, in Russian households—285.3, and in Kazakh households—163.9 tenge.

But still 85 percent are not satisfied with their monetary incomes and more than one-third of the families think that their material position has deteriorated significantly over recent years, and only 3 percent think that they have begun to live better. About half of those questioned include themselves among people of low or below average means.

Among aspects of well-being, German families include above all good health (67 percent), high monetary incomes (55 percent), and also life in a stable society (53 percent). Good living conditions, family happiness, and a normal economic situation as a component of well-being are mentioned by up to one-third of those questioned. They do not place a high value on education (4 percent), or a career (2 percent), and a motor vehicle counts as a condition for success for only 7 percent.

Only 6 percent of the respondents stated their intention to open their own business and more than half—56 percent—want to go abroad.

The picture was similar in neighboring Kyrgyzstan, which until recently occupied second place in the Union in terms of the number of Germans living there.

According to the 1989 census there were more than 1.1 million Germans in Kazakhstan, and in Kyrgyzstan—approximately 120,000-150,000. In recent years 62,000 people have left for Germany and approximately 40,000 will leave in the next year or year and a half. According to the predictions of Valeriy Dil, a deputy of the Kyrgyz parliament, there are 20,000-22,000 representatives of the German people remaining in Kyrgyzstan.

In Kyrgyzstan, just as here in Kazakhstan, considerable efforts have been made recently to stop the German emigration. Nonetheless it is increasing.

Let us recall quite recent times: Everyone wanting to go abroad was almost considered to be a traitor. All kinds of obstacles were placed in front of potential emigrants, and those who left anyway were told: Well, go ahead and leave, that will leave more for us!

Perestroika opened up the floodgates, but the flow of emigrants could have been considerably less were it not for the events of the 1980's, when Germans lost their last hope of restoring their statehood in the Volga region.

All USSR President M. Gorbachev had to do at a meeting with the German community was hint that this question could be resolved and the Germans took heart and the migration process even came to a halt for a certain period of time. But the solution to the problem was "frozen," boycotted by representatives of the local party nomenklatura. Shameful photographs appeared in the press at that time: Hefty old broads carrying banners: "We must not let the Germans reach the Volga again!"

Unfortunately, Yeltsin played into the hands of the chauvinists—all it took was one statement from him regarding the testing ground in Kapustin Yar—saying this was the most the Germans could count on. This insulting statement disturbed more than just the Germans at the time. And the public promise from the Russian president, which, incidentally, was heard in the capital of Kazakhstan, that only death would keep him from missing the Congress of Germans, was also unfulfilled.

The party-nomenklatura games finally convinced people that there would be no German state. And this meant that future generations of Germans would be left without their native language, without everything that makes up the nation's culture. That is, the people would remain essentially rootless.

The law of large numbers took effect—the more families that leave, the more of their relatives that leave—those that are finding in themselves even a couple of drops of German blood, and frequently people who are not German at all. The pendulum has begun to swing, and appeals alone will not stop it....

#### **Economic Relations With Iran Seen on Rise**

944K2059A Almaty PANORAMA in Russian No 31,  
6 Aug 94 p 7

[Interview with Omirtay Bitimov, chief of the Republic of Kazakhstan Ministry of Foreign Affairs Near and Middle East Department, by Karlygash Yezhenova; place and date not given: "Economic Relations of Kazakhstan and Iran Are Developing Successfully: A Visit by Iranian Foreign Affairs Minister 'Ali Akbar Velayati Is Expected at the End of Next Week"]

[Text] [Yezhenova] Mr. Bitimov, Kazakhstan regards Iran as a principal trade and economic partner in the region. What place does Iran occupy in the Republic's foreign trade turnover?

[Bitimov] Last year Kazakhstan's foreign trade turnover with Iran constituted \$7.664 million, including \$5.24 million in imports from Kazakhstan and \$2.424 million in imports [sentence as published]. In six months of 1994, turnover constituted \$7.622 million.

These amounts do not satisfy either side, of course, and the upcoming visit to Almaty by 'Ali Akbar Velayati, minister of foreign affairs of the Islamic Republic of Iran, will, we hope, contribute to an increase in the economic partnership.

Flat rolled iron products and unalloyed steels, tin plate, and Portland cement constitute the basis of the exports. Tea constitutes a large part of the imports from Iran.

Two Iranian firms—Pars Group and Shaver Investment, which specialize in exports of light industry commodities—are accredited in Almaty.



It has been decided to open trade and industry chambers in both states.

Iran's geographical proximity and the transport communications that exist and that are being built are creating favorable conditions for commodity exchange.

The Aktau International Maritime Transport Company, a founder of which is the Dariye-e Khazar Shipping Firm, and also a mixed commission of representatives of the ministries of transport of Iran and Kazakhstan have been created in the sphere of transport. A program to develop railroad lines on the territory of Iran, Central Asia, and other states for the formation of a trans-Asia main line has been drawn up within the framework of the latter.

The Almaty-Tehran-Almaty scheduled air route has been inaugurated.

The National Bank of the Republic of Kazakhstan and the Central Bank of the Islamic Republic of Iran have signed a statement of intent on the establishment of direct banking relations.

Opening a branch or subsidiary bank of the Saderatbank in Almaty is contemplated.

The Iranian Government has drawn up and presented for concordance to the governments of the Caspian states a draft convention on their cooperation. This draft is currently being studied by Kazakhstan.

[Yezhenova] Iran is a potential partner of Kazakhstan in the sphere of oil shipment. At what stage today is the implementation of joint projects?

[Bitimov] A statement of intent on the annual supply to Iran of up to 2 million tonnes of Kazakhstan crude via the port of Aktau, starting 1994, has been agreed between the leaders of the oil departments of Kazakhstan and Iran. In addition, the Iranian side is planning before the end of the year to begin the construction of an offshore terminal to accept the oil and a pipeline for its feed into the transport system of Iran and also a terminal for loading it into tankers. Kazakhstan's oil may be used in full in Northern Iran for domestic purposes, simultaneously releasing the corresponding volume of crude from the south of the country via terminals in the Persian Gulf for its supply to third countries. Samples of our oil have been conveyed to the Iranian side for the necessary expert evaluation.

[Yezhenova] As far as I know, the Aktau Oblast Administration and the administration of Ghilan province have signed an agreement on the formation of a free economic zone.

At what stage is this project now and what are Kazakhstan's interests in it?

[Bitimov] It is intended to implement the planned project by analogy with the free economic zone on the island of Queshm, on which a recreational business

center of countries of the Near East is being created. It is contemplated that, by analogy with Singapore, Hong Kong, and Kuala Lumpur, a duty-free trade and economic zone open to business circles of the region, banks, and international corporations will be formed on the island of Queshm.

A working group from the province of Ghilan, which is seeking opportunities for the creation of the port's infrastructure, is working in Aktau at this time. Maritime and tourist transportation with the possible shipment of oil is planned.

[Yezhenova] What is the program of the visit; is the signing of any documents planned?

[Bitimov] The May visit of Prime Minister Sergey Tereshchenko to Kazakhstan [as published] completed the formation of the legal base of our bilateral relations. The purpose of the upcoming visit of the head of the foreign policy department and his deputies is supervision and realization of the agreements that have already been signed. Meetings with the president of the Republic of Kazakhstan, the prime minister, the chairman of the Supreme Council, and the minister of foreign affairs of Kazakhstan are anticipated.

Mr. Velayati, being a well-known pediatrician, intends to deliver a course of lectures at the capital's Medical Institute.

#### **Military-Technical Cooperation With Turkey**

944K2061A Almaty KAZAKHSTANSKAYA PRAVDA  
in Russian 9 Aug 94 p 1

[KAZTAG report: "Kazakhstan and Turkey Are Embarking on the Path of Military-Technical Cooperation"]

[Text] On 8 August Defense Minister Sagadat Nurmambetov held talks with Mehmet Gelhan, chief of Turkey's military department, who arrived in Almaty the day before on an official visit. An agreement on bilateral military-technical cooperation was signed on the results of the meeting.

The same day the minister of defense of Turkey and the persons accompanying him were received by Deputy Prime Minister Tulegen Zhukeyev.

Having told the guests about the situation in the Republic, he emphasized that the people of Kazakhstan aspire to strengthen their economic independence and pursue market reforms more decisively. The Republic is doing everything to strengthen regional security, develop businesslike cooperation between states, and establish lasting peace throughout the world. It is on these positions that Kazakhstan is building relations with its closest neighbors—Russia and China. Thus a number of agreements on joint activity in various spheres has been signed with the Russian Federation, and they are wholly in keeping with our country's national interests.

Armed conflicts are continuing in certain regions of the CIS, the deputy prime minister observed, which must be resolved by political methods, by way of negotiations. Of particular concern to everyone is the situation on the Tajik-Afghan border, which is the external border of countries of the Commonwealth. Its sure defense is the common concern of the CIS.

We are worried by the conflict in Nagorny Karabakh, Tulegen Zhukeyev said. The leadership of Kazakhstan was participating in the earliest phase in a settlement of this problem. Now, however, any use of the peace-keeping force for an end to the bloody situation in the region is possible only under the aegis of the United Nations, the CSCE, and other international organizations.

It was with this in mind that President Nursultan Nazarbayev presented the initiative for the convening of a conference on interaction and confidence-building measures in Asia. The deputy prime minister was highly appreciative of Turkey's support for this initiative.

Concerning relations between Kazakhstan and Turkey, the deputy prime minister observed that they have considerable potential for an expansion and intensification of partnership primarily in the trade and economic sphere. The legal basis for wide-ranging cooperation was laid by the signing between the two states of more than 30 agreements, which are now being put into practice. Their number has now been supplemented by agreements between the defense departments.

Mehmet Gelhan expressed Turkey's readiness to share with Kazakhstan experience accumulated in the course of its economic development. He said that Turkey is following closely the progress of the transformations in Kazakhstan and is sure that, thanks to the selfless labor of its people, the republic will very soon be a truly democratic and economically prosperous country.

Mehmet Gelhan laid a wreath at the Glory Memorial in the Park of the 28 Panfilov Guardsmen and visited the Mashinostroitel'ny Zavod Stock Company and the Medeo highland sports ground.

## TAJIKISTAN

### Russian Role in Conflict Debated

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[Articles by journalist Mumin Shakirov and Otakhon Latifi, chairman of the board of the coordinating center of Tajikistan's democratic forces in CIS countries: "The Tajik Know: Two Views on the Situation"]

[Text]

#### Less Sovereignty—Less Blood

If Russian troops leave Tajikistan, the country will turn into a "burning torch." What then?

The scenario of conjectural consequences is tragic. As soon as the last Russian soldier leaves the republic, literally within hours, Tajik opposition's commandos and mujahidin supporting them will break through the border and move in the direction of Dushanbe. In several days, large-scale military actions will begin in Tajikistan. And the republic will be drowned in blood; casualties will be counted in hundreds of thousands. The example of such "conflagration" is the neighboring Afghanistan, which has been bogged down in a fratricidal war for years.

Fleeing from the massacre and horrors of war, about a million Uzbeks living in the republic will run for shelter to their brothers in the well-to-do Uzbekistan. Naturally, Uzbekistan's economy is unable to sustain such a number of refugees, and its government most likely will be compelled to provide military assistance to "compatriots," thus taking part in the conflict that will transcend to a regional scale.

The current Tajik leadership does not share either the ideas of "aggressive" Islam or "democratic" values, but there are quite a few representatives of the Muslim establishment in the underground opposition. In the event of their victory, the place vacated by Russia after its withdrawal will undoubtedly be taken by other states, first and foremost Afghanistan, which will demand its commission for moral and military support of the opposition during the period of its exile.

The powerful Iran, which watches its neighbors attentively, under a propitious turn of circumstances can quickly intercept the initiative by proclaiming the idea of Muslim brotherhood and Farsi-language culture. The idea is not that frightening, but it is unknown by which methods it will be implemented and what will be the final result. Not all the local population shares the dictatorship of Islamic values and democratic transformations on the basis of clan-regional superiority.

Unlike Afghanistan, Iran has enough money to support economic and political reforms in Tajikistan in line with its own scenario.

Colonel General Patrikeyev, the commander in chief of coalition peacekeeping forces of CIS states in Tajikistan, is convinced that there is no alternative to the Russian presence.

"First, there are Minsk agreements, which say that CIS external borders constitute a single border of the countries—signatories to these agreements. As long as this situation exists, any border violators—in this case, coming from Afghanistan—will be detained, and in case of armed resistance, liquidated.

"Second, in order to leave Tajikistan, Russia will have to determine where its new borders will lie. Who will guarantee that the process of military Islamization or mere aggression will not go any further? Will Uzbekistan, Kirgizia, or Turkmenia be able to resist these forces on their own?

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"Third, if a decision is made to strengthen and equip the 7,000 kilometers of the Russian-Kazakh border, where will this colossal money come from?

"(By the way, the Tajik-Afghan border is 750 km.)

"Fourth, supporters of immediate withdrawal of Russian troops are perhaps aware that there are uranium mines in the northern part of Tajikistan. It was this particular uranium that, during the Soviet times, was used to build Kurchatov's atomic bomb. Hence, if we leave Tajikistan, we have to be prepared that this uranium will fall into the hands of those Asian countries that are intensely developing nuclear technology. The bankrupt, pauper country will be selling uranium right and left just to feed its population."

Mr. Senkevich, the extraordinary and plenipotentiary ambassador of the Russian Federation in Tajikistan, has his own reasoning:

"My concern in this conjectural scenario is the human factor. Is Russia ready to accept more than 100,000 Russian-speaking refugees and as many people of other nationalities, who do not share Islamic values and in the event of victory of one of the sides will find themselves on the brink of genocide?

"Second, if a conflict flares up here, how will it affect other Central Asian republics, including Kazakhstan where hundreds of thousands of Russian-speaking people live? Most likely, they will choose to leave the Asian zone, and then Russia will get millions of immigrants of various nationalities.

"Third, our presence here is a policy of compromise. Both members of the Tajik opposition and of Tajikistan's ruling leadership, including local population, have an interest in it. You see, Russian armed forces protect everybody who lives on the territory of Tajikistan regardless of nationality and faith. Next, despite its geographic distance, Russia has its own economic interests in this region. Tajikistan has a wealth of mineral deposits. Practically the entire Mendeleev table is sitting in the soil of this land. We need already now to think about the prospects for restoration of economic relations and mutually profitable cooperation after the long-awaited peace finally comes to this republic."

My interlocutors did not mention another important factor justifying the Russian military presence: Tajikistan is one of the main channels for drugs coming into the territory of CIS countries. For many years, the neighboring Afghanistan, which does not have industry or developed agriculture, is engaged in one sole production—growing opium poppy and hemp. It is the income from the drug business that represents the financial source that helps Afghanistan to survive in the conditions of complete ruin and civil war. Further decline of production and agriculture in Tajikistan will inevitably provoke the local population into copying the successful "experience" of the neighbors, and then we will not have

to wait long for "Tajik" eskobars to come on the scene. Actually, they are already setting up production and export of this commodity to Russia and Europe.

Moreover, military specialists serving in Tajikistan maintain that all these wars, no matter how they are called: international, interethnic—in the heart of it are the hands of the international drug mafia. Over the last decade, European special services, including Interpol, had cut the drug traffic to Europe down to a trickle. Drug dealers had to reduce their activities in the countries of the Mediterranean and the Near East. Armed conflicts in Abkhazia, Georgia, Nagorno-Karabakh, the North Caucasus, and Tajikistan are to a considerable extent the result of drug dealers' actions. A million dollars invested in inflaming the conflicts brings them a billion dollars in profits.

During the period of Soviet intervention, the American government provided unlimited arms supply for Afghan mujahidin. When the need for it disappeared and the last Soviet soldier left the country, a decision was made to gradually buy out the arms in order to stop the civil war there. This has not succeeded, and Afghans continue to fight, having split into different ethnic groups. In addition to the drug trade, they make money from selling arms, which are secretly delivered to Tajikistan.

Quite obviously, Tajiks today are incapable to stop on their own the fratricidal war. The only way to restore peace in the republic is to strengthen Russia's role in the resolution of political and economic problems.

The role of an intermediary does not always work out, and it appears that the time has come for tougher measures. It is possible that some people will begin trumpeting to the entire world about a new imperial expansion, but Tajiks today need peace more than ephemeral and ambitious independence.

P.S. It so happened that Tajikistan found itself being a neighbor to a country devastated and ravaged by war and armed to the teeth. Neither the Tajik people nor the current Tajik government are at fault for the fact that Soviet divisions occupied Afghanistan and for 10 years engaged in bombing and destruction of a sovereign state. And now to leave them alone to face the unpredictable neighbors is ignoble, to put it mildly. Without modern military equipment, trained soldiers and regular officers, Tajikistan is doomed to defeat in a clash with mujahidin.

#### **On the Contrary: Sovereignty Is the Guarantee of Peace**

In what Mumin Shakirov said, I was somewhat alarmed by the words: "Fleeing from the massacre and horrors of war, they (Uzbeks) will run for shelter to their brothers in the well-to-do Uzbekistan." I do not want to believe that behind these words is the desire to help those who once again are trying to play the card of interethnic strife. It has long been established that ethnic and religious beginnings are the most sensitive parts of the human psyche. In the absence of democracy, those fighting for power



and money always knew how to plant the virus of enmity. The bolsheviks, having proclaimed in theory self-determination of nations and ethnic groups, in practice have placed a diabolic mine under the entire space of their empire. Quite possibly, they were using the experience of ancient Persia (about which I will say a little later) and wanted to channel the national liberation movement, which spread all over the world, into the path of their ideas. At some point they succeeded in it. But, after they annihilated politicians and figures of nationalist orientation, the bolsheviks began to rule the empire through a combination of punitive measures and hurrah-internationalism. And remembered about nationalism only when they clashed with fascism in a mortal combat. When the system erected by bolsheviks outlived itself, there were still those who wanted to save it. One had to be of diabolical mettle to set Uzbeks against their own brethren—Meskhet Turks. And do it with a far-reaching goal: Where would the deported Meskhet Turks go? Naturally, to their land of birth, to Georgia, and thus another hot seat would flare up in the Caucasus. And before that they managed to set Kyrgyz against Uzbeks in border regions. The events in Osh, Baku, Tbilisi, Vilnius, and their culmination—the GKChP [State Committee on the State of Emergency] in Moscow—are ominous links of the same chain.

The torch-bearers of interethnic fires cannot subside today either—they want to push Tajiks and Uzbeks into a clash. Over many centuries of living together, not a single instance of clashes between them was registered. And, in general, before the bolshevik national-territorial division, Central Asia did not know interethnic conflicts, because it did not have purely ethnic states. Yes, the Uzbeks—the native inhabitants of the republic, did participate in the current political confrontation and civil war in Tajikistan. Some on the side of the opposition; others on the side of the so-called Popular Front. Fighting in the ranks of the latter were also mercenaries from Afghanistan—the press reports that they are fighting in Azerbaijan as well. And they are not mujahidin (mujahidin are fighters for faith and national interests). There have been no mercenaries in the military units of the Tajik opposition, as there are no Tajik mujahidin among conflicting parties in Afghanistan. But there are Uzbeks, Russians, and members of other nationalities and ethnic groups living in Tajikistan, and together with Tajiks they fight. Ever since the "Popular Front" rode into power propped by submachine guns, more than a million people fled the republic, including tens of thousands of Uzbeks. And they did not find comfort in Uzbekistan. In violation of the UN conventions, they are not registered, but persecuted in every way and chased away.

And where would Uzbekistan's 7 million ethnic Tajiks go? Yes, ethnic, because there were times when, with the silent consent and encouragement of the CPSU Central Committee, Tajiks were identified as Uzbeks in their passports. One more point: Native Uzbek tribes in the south of Tajikistan are anthropologically different from

mountain Tajiks, with whom they intermix in valleys. While the Tajiks and Uzbeks of Zerafshan, Fergana, Kashkadarya and Surhandarya Valleys, Golodnaya Step, and Tashkent Oasis, as poet Gafur Gulyam wrote, have one heart and only languages are different. By everyday customs, traditions, culture, art, and music, local Uzbeks are practically no different from Tajiks. Interethnic marriages between them are commonplace.

Nobody will be able to set Uzbekistan against Tajikistan if the CIS becomes a true commonwealth of independent, sovereign, friendly states. Not the way it was before: Uzbekistan's air force was bombing Tajikistan's villages, and the CIS would not even inquire what was going on.

Mumin Shakirov maintains: "Less sovereignty—less blood." In my opinion, this is a colonial, imperial formula, and the national liberation struggle, including on the part of Russia, has voided it once and for all. Those who had a breath of freedom will never agree to its [empire] restoration.

Sovereignty, the freedom of an individual, peoples, nations, states is the only guarantee of peace and accord between people and countries. Of course, on the global, planetary scale, as UN Secretary General Boutros Ghali said, "the time of absolute and exclusive sovereignty is over." And UN researchers forecast that the future belongs to transnational companies and the international division of labor, but on the condition of overcoming the differences in the standard of living. Fighting its ways through the jungle of economic, political, ideological, and religious conflicts, humanity is moving there as if to one God, the idea of whose uniqueness is supported not only by theologians, but also by serious academic research.

I want to repeat: Once again, the road to this lies through freedom, sovereignty, striving for peace not only between countries, but also between religions. In this connection, to talk about aggressiveness of Islam, as well as of any other religion, is dangerously primitive. Aggressiveness and extremism are present, but this is not a reflection of the substance of God's word; their nature is completely different. In the Caucasus, Iran, and Central Asia, Muslim, Christian, and Jewish temples frequently stand side by side to this day. And there were no interconfessional wars here either. The unrest began when Armenian refugees arrived in Tajikistan, to whom housing was allegedly given out of turn. And when the rallying crowd learned that they had been deceived, shouts sounded in the crowd right away: "Down with Russians!" I visited an Orthodox church during those days, talked to Father Nikolay. Well, he testified that not a single stone had been thrown at the church. Which is located alongside a large road. In the city, pogroms were in full swing; mostly, the rioters plundered stores and warehouses. Here and there incensed people broke into public places and beat up whoever was at hand. The believers from the neighboring mosque, which stood side

by side with the church, would stop at Father Nikolay's, ask whether there was any danger to him or the church, and were keeping vigil in order to protect the temple of Christ. Perhaps not everyone knows that Muslims recognize, and have the greatest reverence for, both Moses and Christ. And they do not permit insults to them or to Christian church believers. Perhaps what Mumin Shakirov holds out as a specter of danger is in fact a restraining factor?

Analysts writing about Tajikistan often have a vague notion of the opposition and its goals, as well as the ways it wants to achieve them. It is especially important to clarify the issue of the presence of Russian troops. The opposition has not demanded their withdrawal, for which it is being criticized. The opposition is interested in the presence of Russian troops. Moreover, it is precisely the Tajik opposition that, long before the signing of the collective security agreement within the framework of the CIS and creation of peacekeeping forces, proposed the same. But it is our deep conviction that we should separate the functions of border troops and those of peacekeeping forces so that Russia would not be accused of neo-imperial designs. On the other hand, the population should be assured of the guarantees of their sovereignty, and therefore, the armed forces present here must, first, meet the UN requirements, and second, be under the control of UN observers.

I think that the drug mafia took advantage of the instability but it did not create this situation. The drug business has always existed in the USSR; I remember the postwar outbreak and also one after Stalin's death, when amnesty was declared. With the union's invasion of Afghanistan, the drug business acquired immense proportions. It was then, I think, that transit routes through

the USSR emerged, which certainly have expanded by now. Perhaps, Mumin Shakirov has different information.

And lastly—regarding his contention that Tajiks are incapable of stopping the fratricidal war. As a person who had functioned as the head of the opposition delegation at two rounds of inter-Tajik negotiations, I daresay that they want and can reach peace and accord. And they were close to a temporary cease-fire, but certain powers did not want it to happen in Teheran.

Now the situation has exacerbated, and it became difficult to continue negotiations. With the support of the Russian MFA [Ministry of Foreign Affairs], the Tajik National Assembly adopted a decision to hold a referendum on a new constitution and presidential elections. But the issue of the constitutional process had been included in the negotiations agenda, that is, the authorities thereby undertook an obligations to refrain from such actions. And the National Assembly's decision was immediately followed by military clashes.

By the Russian president's edict, a Tajik settlement mission has been set up, but for some reason its head took a progovernment position, and this makes us suspicious. By the way, the special envoy in Nagorno-Karabakh has a plan of getting out of the incredibly difficult crisis, while the man who on behalf of the Russian MFA is dealing with Tajikistan's problem has not proposed anything of his own to the parties and in general does not contribute much in the direction of achieving rapprochement.

We, on the other hand, want to see Russia a guarantor of political settlement of the situation, democratic transformations, organizational development of a civil society, the one and indivisible Tajikistan...

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